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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission file number 001-33178

MELCO RESORTS & ENTERTAINMENT LIMITED

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

36th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong
(Address of principal executive offices)

Heather Rollo, Senior Vice President, Chief Accounting Officer Tel +852 2598 3600, Fax +852 2537 3618
36th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
American depositary shares each representing three ordinary shares	MLCO	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None.
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None.
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

1,456,547,942 ordinary shares outstanding as of December 31, 2020

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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INTRODUCTION

In this annual report on Form 20-F, unless otherwise indicated:

- "2015 Credit Facilities" refers to the HK$13.65 billion (equivalent to US$1.75 billion) senior secured credit facilities agreement dated June 19, 2015, entered into by Melco Resorts Macau, as borrower, comprising (i) a Hong Kong dollar term loan facility of HK$3.90 billion (equivalent to US$500 million) with a term of six years and (ii) a HK$9.75 billion (equivalent to approximately US$1.25 billion) revolving credit facility, and following the repayment of all outstanding loan amounts, together with accrued interest and associated costs on May 7, 2020, other than the HK$1.0 million (equivalent to approximately US$129,000) which remained outstanding under the term loan facility and the HK$1.0 million (equivalent to approximately US$129,000) revolving credit facility commitment which remained available under the revolving credit facility, all other commitments under the 2015 Credit Facilities were cancelled;
- "2020 Credit Facilities" refers to the senior facilities agreement dated April 29, 2020, entered into between, among others, MCO Nominee One, our subsidiary and as borrower, and Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Morgan Stanley Senior Funding, Inc., as joint global coordinators, under which lenders have made available HK$14.85 billion (equivalent to US$1.92 billion) in a revolving credit facility for a term of five years;
- "2020 Studio City Notes" refers to the US$825.0 million aggregate principal amount of 8.50% senior notes due 2020 issued by Studio City Finance on November 26, 2012 and as to which no amount remains outstanding following the redemption of all remaining outstanding amounts in March 2019;
- "2020 Studio City Notes Tender Offer" refers to the conditional tender offer by Studio City Finance to purchase for cash any and all of its outstanding 2020 Studio City Notes which commenced on January 22, 2019 and settled on February 11, 2019;
- "2021 Senior Notes" refers to the US$1.0 billion aggregate principal amount of 5.00% senior notes due 2021 issued by Melco Resorts Finance on February 7, 2013 and fully redeemed on June 14, 2017;
- "2021 Studio City Senior Secured Credit Facility" refers to the facility agreement dated November 23, 2016 with, among others, Bank of China Limited, Macau Branch, to amend, restate and extend the Studio City Project Facility to provide for senior secured credit facilities in an aggregate amount of HK$234.0 million (equivalent to approximately US$30.1 million), which consist of a HK$233.0 million (equivalent to approximately US$29.9 million) revolving credit facility and a HK$1.0 million (equivalent to approximately US$129,000) term loan facility, and which has been amended, restated and extended by the 2028 Studio City Senior Secured Credit Facility;
- "2024 Studio City Notes" refers to the US$600.0 million aggregate principal amount of 7.25% senior notes due 2024 issued by Studio City Finance on February 11, 2019 and as to which no amount remains outstanding following the redemption of all remaining outstanding amounts in February 2021;
- "2024 Studio City Notes Tender Offer" refers to the conditional tender offer by Studio City Finance to purchase for cash any and all of the outstanding 2024 Studio City Notes, which commenced and settled in January 2021;
- "2025 Senior Notes" refers to the US$1.0 billion aggregate principal amount of 4.875% senior notes due 2025 issued by Melco Resorts Finance, of which US$650.0 million in aggregate principal amount was issued on June 6, 2017 and US$350.0 million in aggregate principal amount was issued on July 3, 2017;
- "2025 Studio City Notes" refers to the US$500 million aggregate principal amount of 6.00% senior notes due 2025 issued by Studio City Finance on July 15, 2020;
- "2026 Senior Notes" refers to the US$500.0 million aggregate principal amount of 5.250% senior notes due 2026 issued by Melco Resorts Finance on April 26, 2019;

- "2027 Senior Notes" refers to the US$600.0 million aggregate principal amount of 5.625% senior notes due 2027 issued by Melco Resorts Finance on July 17, 2019;
- "2028 Senior Notes" refers to the US$850 million aggregate principal amount of 5.750% senior notes due 2028 issued by Melco Resorts Finance, of which US$500.0 million in aggregate principal amount was issued on July 21, 2020 (the "First 2028 Senior Notes") and US$350.0 million in aggregate principal amount was issued on August 11, 2020 (the "Additional 2028 Senior Notes");
- "2028 Studio City Notes" refers to the US$500 million aggregate principal amount of 6.50% senior notes due 2028 issued by Studio City Finance on July 15, 2020;
- "2028 Studio City Senior Secured Credit Facility" refers to the facility agreement dated March 15, 2021 with, among others, Bank of China Limited, Macau Branch, to amend, restate and extend the 2021 Studio City Senior Secured Credit Facility to provide for senior secured credit facilities in an aggregate amount of HK$234.0 million, equivalent to approximately US$30.1 million which consist of a HK$233.0 million (approximately US$29.9 million) revolving credit facility and a HK$1.0 million (approximately US$129,000) term loan facility;
- "2029 Senior Notes" refers to the US$1.15 billion aggregate principal amount of 5.375% senior notes due 2029 issued by Melco Resorts Finance, of which US$900.0 million in aggregate principal amount was issued on December 4, 2019 ("First 2029 Senior Notes") and US$250.0 million in aggregate principal amount was issued on January 21, 2021 ("Additional 2029 Senior Notes");
- "2029 Studio City Notes" refers to the US$750 million aggregate principal amount of 5.00% senior notes due 2029 issued by Studio City Finance on January 14, 2021;
- "ADSs" refers to our American depositary shares, each of which represents three ordinary shares;
- "Altira Hotel" refers to our former subsidiary, Altira Hotel Limited, a Macau company through which we operated hotel and certain other non-gaming businesses at Altira Macau and which has been merged with Altira Resorts;
- "Altira Macau" refers to an integrated resort located in Taipa, Macau, that caters to Asian VIP rolling chip customers;
- "Altira Resorts" refers to our subsidiary, Altira Resorts Limited (formerly known as Altira Developments Limited), a Macau company through which we hold the land and building for Altira Macau and operate hotel and certain other non-gaming businesses at Altira Macau;
- "AUD" and "Australian dollar(s)" refer to the legal currency of Australia;
- "board" and "board of directors" refer to the board of directors of our Company or a duly constituted committee thereof;
- "CGC" means the Cyprus Gaming and Casino Supervision Commission, also known as the Cyprus Gaming Commission;
- "China" and "PRC" refer to the People's Republic of China, excluding the Hong Kong Special Administrative Region of the PRC (Hong Kong), the Macau Special Administrative Region of the PRC (Macau) and Taiwan from a geographical point of view;
- "City of Dreams" refers to an integrated resort located in Cotai, Macau, which currently features casino areas and four luxury hotels, including a collection of retail brands, a wet stage performance theater (temporarily closed since June 2020) and other entertainment venues;
- "City of Dreams Manila" refers to an integrated resort located within Entertainment City, Manila;
- "City of Dreams Mediterranean" refers to the integrated resort project in Cyprus, which is currently under development and is expected to be the largest and premier integrated resort in Europe upon its opening;

- "COD Resorts" refers to our subsidiary, COD Resorts Limited (formerly known as Melco Crown (COD) Developments Limited), a Macau company through which we hold the land and buildings for City of Dreams, operate hotel and certain other non-gaming businesses at City of Dreams and provide shared services within the Company;
- "Crown Resorts" refers to Crown Resorts Limited, a company listed on the Australian Securities Exchange;
- "Cyprus Acquisition" refers to our acquisition of a 75% equity interest in ICR Cyprus from Melco International with the issuance of 55.5 million ordinary shares as consideration pursuant to the definitive agreement entered into between us and Melco International on June 24, 2019 and completed on July 31, 2019;
- "Cyprus License" refers to the gaming license granted by the government of Cyprus to Integrated Casino Resorts on June 26, 2017 to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term;
- "DICJ" refers to the Direcção de Inspecção e Coordenação de Jogos (the Gaming Inspection and Coordination Bureau), a department of the Public Administration of Macau;
- "EUR" and "Euro(s)" refer to the legal currency of the European Union;
- "Greater China" refers to mainland China, Hong Kong and Macau, collectively;
- "HIBOR" refers to the Hong Kong Interbank Offered Rate;
- "HK$" and "H.K. dollar(s)" refer to the legal currency of Hong Kong;
- "HKSE" refers to The Stock Exchange of Hong Kong Limited;
- "ICR Cyprus" refers to ICR Cyprus Holdings Limited, a company incorporated under the laws of Cyprus, and which we acquired a 75% equity interest upon the completion of the Cyprus Acquisition;
- "Integrated Casino Resorts" refers to Integrated Casino Resorts Cyprus Limited, a company incorporated under the laws of Cyprus and which became our subsidiary upon the completion of the Cyprus Acquisition;
- "MCO Investments" refers to our subsidiary, MCO (Philippines) Investments Limited, a company incorporated under the laws of the British Virgin Islands;
- "MCO Nominee One" refers to our subsidiary, MCO Nominee One Limited;
- "Melco International" refers to Melco International Development Limited, a Hong Kong-listed company;
- "Melco Leisure" refers to Melco Leisure and Entertainment Group Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Melco International;
- "Melco Philippine Parties" refers to Melco Resorts Leisure, MPHIL Holdings No. 1 and MPHIL Holdings No. 2;
- "Melco Resorts Finance Notes" refers to, collectively, the 2025 Senior Notes, the 2026 Senior Notes, the 2027 Senior Notes, the 2028 Senior Notes and the 2029 Senior Notes;
- "Melco Resorts Finance" refers to our subsidiary, Melco Resorts Finance Limited (formerly known as MCE Finance Limited), a Cayman Islands exempted company with limited liability;
- "Melco Resorts Leisure" refers to our subsidiary, Melco Resorts Leisure (PHP) Corporation (formerly known as MCE Leisure (Philippines) Corporation), a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Philippine License;

- "Melco Resorts Macau" refers to our subsidiary, Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited), a Macau company and the holder of our gaming subconcession;
- "Mocha Clubs" refer to, collectively, our clubs with gaming machines, which are now the largest non-casino based operations of electronic gaming machines in Macau;
- "MPHIL Holdings No. 1" refers to our subsidiary, MPHIL Holdings No. 1 Corporation (formerly known as MCE Holdings (Philippines) Corporation), a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Philippine License;
- "MPHIL Holdings No. 2" refers to our subsidiary, MPHIL Holdings No. 2 Corporation (formerly known as MCE Holdings No. 2 (Philippines) Corporation), a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Philippine License;
- "MRP" refers to our subsidiary, Melco Resorts and Entertainment (Philippines) Corporation (formerly known as Melco Crown (Philippines) Resorts Corporation), the shares of which have been delisted from the Philippine Stock Exchange since June 11, 2019 due to MRP's public ownership having fallen below the minimum requirement of the Philippine Stock Exchange for more than six months;
- "Nobu Manila" refers to the hotel development located in City of Dreams Manila branded as Nobu Hotel Manila;
- "Nüwa Manila" refers to the hotel development located in City of Dreams Manila branded as Nüwa Hotel Manila, formerly branded as the Crown Towers hotel;
- "our subconcession" and "our gaming subconcession" refers to the Macau gaming subconcession held by Melco Resorts Macau;
- "PAGCOR" refers to the Philippines Amusement and Gaming Corporation, the Philippines regulatory body with jurisdiction over all gaming activities in the Philippines except for lottery, sweepstakes, cockfighting, horse racing and gaming inside the Cagayan Export Zone;
- "PAGCOR Charter" refers to the Presidential Decree No. 1869, of the Philippines;
- "Pataca(s)" or "MOP" refer to the legal currency of Macau;
- "Philippine License" refers to the regular gaming license dated April 29, 2015 issued by PAGCOR to the Philippine Licensees in replacement of the Provisional License for the operation of City of Dreams Manila;
- "Philippine Licensees" refers to holders of the Philippine License, which include the Melco Philippine Parties and the Philippine Parties;
- "Philippine Notes" refers to the PHP15 billion aggregate principal amount of 5.00% senior notes due 2019 issued by Melco Resorts Leisure on January 24, 2014 and guaranteed by our Company and fully redeemed by December 28, 2018;
- "Philippine Parties" refers to SM Investments Corporation, Belle Corporation and PremiumLeisure and Amusement, Inc.;
- "Philippine peso(s)" and "PHP" refer to the legal currency of the Philippines;
- "Renminbi" and "RMB" refer to the legal currency of China;
- "SC ADSs" refers to the American depositary shares of SCI, each of which represents four Class A ordinary shares of SCI;
- "SCI" refers to our subsidiary, Studio City International Holdings Limited, an exempted company registered by way of continuation in the Cayman Islands, the American depositary receipts of which are listed on the New York Stock Exchange;
- "share(s)" and "ordinary share(s)" refer to our ordinary share(s), par value of US$0.01 each;

- "Studio City" refers to a cinematically-themed integrated resort in Cotai, an area of reclaimed land located between the islands of Taipa and Coloane in Macau;
- "Studio City Casino" refers to the gaming areas being operated within Studio City;
- "Studio City Company" refers to our subsidiary, Studio City Company Limited, which is a company incorporated in the British Virgin Islands with limited liability and which is also an indirect subsidiary of SCI;
- "Studio City Company Notes" refers to, collectively, the US$350.0 million aggregate principal amount of 5.875% senior secured notes due 2019 (the "2019 Studio City Company Notes") and the US$850.0 million aggregate principal amount of 7.250% senior secured notes due 2021 (the "2021 Studio City Company Notes"), each issued by Studio City Company on November 30, 2016 and as to which no amount remains outstanding following the repayment in full upon maturity in November 2019 (in the case of the 2019 Studio City Company Notes) and the redemption of all remaining outstanding amounts in August 2020 (in the case of the 2021 Studio City Company Notes);
- "Studio City Finance" refers to our subsidiary, Studio City Finance Limited, which is a company incorporated in the British Virgin Islands with limited liability and which is also an indirect subsidiary of SCI;
- "Studio City Hotels" refers to our subsidiary, Studio City Hotels Limited, which is a company incorporated in Macau with limited liability and which is also an indirect subsidiary of SCI;
- "Studio City Investments" refers to our subsidiary, Studio City Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability and which is also an indirect subsidiary of SCI;
- "Studio City IPO" refers to the initial public offering of a total of 33,062,500 SC ADSs, comprising the 28,750,000 SC ADSs sold initially and the 4,312,500 SC ADSs sold pursuant to the over-allotment option, at the price of US$12.50 per SC ADS;
- "Studio City Notes" refer to, collectively, the 2025 Studio City Notes, the 2028 Studio City Notes and the 2029 Studio City Notes;
- "Studio City Project Facility" refers to the senior secured project facility, dated January 28, 2013 and as amended from time to time, entered into between, among others, Studio City Company as borrower and certain subsidiaries as guarantors, comprising a term loan facility of HK$10,080,460,000 (equivalent to approximately US$1.3 billion) and revolving credit facility of HK$775,420,000 (equivalent to approximately US$100.0 million), and which was amended, restated and extended by the 2021 Studio City Senior Secured Credit Facility;
- "the Philippines" refers to the Republic of the Philippines;
- "TWD" and "New Taiwan dollar(s)" refer to the legal currency of Taiwan;
- "US$" and "U.S. dollar(s)" refer to the legal currency of the United States;
- "U.S. GAAP" refers to the U.S. generally accepted accounting principles; and
- "we", "us", "our", "our Company", "the Company" and "Melco" refer to Melco Resorts & Entertainment Limited and, as the context requires, its predecessor entities and its consolidated subsidiaries.

This annual report on Form 20-F includes our audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 and as of December 31, 2020 and 2019.

Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY

“average daily rate”	calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day
“cage”	a secure room within a casino with a facility that allows patrons to carry out transactions required to participate in gaming activities, such as exchange of cash for chips and exchange of chips for cash or other chips
“chip”	round token that is used on casino gaming tables in lieu of cash
“concession”	a government grant for the operation of games of fortune and chance in casinos in Macau under an administrative contract pursuant to which a concessionaire, or the entity holding the concession, is authorized to operate games of fortune and chance in casinos in Macau
“dealer”	a casino employee who takes and pays out wagers or otherwise oversees a gaming table
“drop”	the amount of cash to purchase gaming chips and promotional vouchers that is deposited in a gaming table’s drop box, plus gaming chips purchased at the casino cage
“drop box”	a box or container that serves as a repository for cash, chip purchase vouchers, credit markers and forms used to record movements in the chip inventory on each table game
“electronic gaming table”	table with an electronic or computerized wagering and payment system that allow players to place bets from multiple-player gaming seats
“gaming machine”	slot machine and/or electronic gaming table
“gaming machine handle”	the total amount wagered in gaming machines
“gaming machine win rate”	gaming machine win (calculated before non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) expressed as a percentage of gaming machine handle
“gaming promoter”	an individual or corporate entity who, for the purpose of promoting rolling chip and other gaming activities, arranges customer transportation and accommodation, provides credit in its sole discretion if authorized by a gaming operator and arranges food and beverage services and entertainment in exchange for commissions or other compensation from a gaming concessionaire or subconcessionaire
“integrated resort”	a resort which provides customers with a combination of hotel accommodations, casinos or gaming areas, retail and dining facilities, MICE space, entertainment venues and spas
“junket player”	a player sourced by gaming promoters to play in the VIP gaming rooms or areas
“marker”	evidence of indebtedness by a player to the casino or gaming operator
“mass market patron”	a customer who plays in the mass market segment
“mass market segment”	consists of both table games and gaming machines played by mass market players primarily for cash stakes
“mass market table games drop”	the amount of table games drop in the mass market table games segment

“mass market table games hold percentage”	mass market table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of mass market table games drop
“mass market table games segment”	the mass market segment consisting of mass market patrons who play table games
“MICE”	Meetings, Incentives, Conventions and Exhibitions, an acronym commonly used to refer to tourism involving large groups brought together for an event or specific purpose
“net rolling”	net turnover in a non-negotiable chip game
“non-negotiable chip”	promotional casino chip that is not to be exchanged for cash
“non-rolling chip”	chip that can be exchanged for cash, used by mass market patrons to make wagers
“occupancy rate”	the average percentage of available hotel rooms occupied, including complimentary rooms, during a period
“premium direct player”	a rolling chip player who is a direct customer of the concessionaires or subconcessionaires and is attracted to the casino through marketing efforts of the gaming operator
“progressive jackpot”	a jackpot for a gaming machine or table game where the value of the jackpot increases as wagers are made; multiple gaming machines or table games may be linked together to establish one progressive jackpot
“revenue per available room” or “REVPAR”	calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy
“rolling chip” or “VIP rolling chip”	non-negotiable chip primarily used by rolling chip patrons to make wagers
“rolling chip patron”	a player who primarily plays on a rolling chip or VIP rolling chip tables and typically plays for higher stakes than mass market gaming patrons
“rolling chip segment”	consists of table games played in private VIP gaming rooms or areas by rolling chip patrons who are either premium direct players or junket players
“rolling chip volume”	the amount of non-negotiable chips wagered and lost by the rolling chip market segment
“rolling chip win rate”	rolling chip table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of rolling chip volume
“slot machine”	traditional slot or electronic gaming machine operated by a single player
“subconcession”	an agreement for the operation of games of fortune and chance in casinos between the entity holding the concession, or the concessionaire, and a subconcessionaire, pursuant to which the subconcessionaire is authorized to operate games of fortune and chance in casinos in Macau

“table games win”	the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues. Table games win is calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis
“VIP gaming room”	gaming rooms or areas that have restricted access to rolling chip patrons and typically offer more personalized service than the general mass market gaming areas

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition, all of which are largely based on our current expectations and projections. The forward-looking statements are contained principally in the sections entitled "Item 3. Key Information — D. Risk Factors," "Item 4. Information on the Company" and "Item 5. Operating and Financial Review and Prospects." Known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. See "Item 3. Key Information — D. Risk Factors" for a discussion of some risk factors that may affect our business and results of operations. Moreover, because we operate in a heavily regulated and evolving industry, may become highly leveraged and operate in Macau, a growth market with intense competition, the Philippines, a market that is expected to experience growth over the next several years, and Cyprus, a new market with significant growth potential, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed or implied in any forward-looking statement.

In some cases, forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. We have based the forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- our goals and strategies;
- the material impact of the global COVID-19 pandemic on our business, financial results and liquidity, which could worsen and persist for an unknown duration;
- the reduced access to our target markets due to travel restrictions, and the potential long-term impact on customer retention;
- restrictions or conditions on visitation by citizens of mainland China to Macau, the Philippines and Cyprus, including in connection with the COVID-19 pandemic, with respect to which we are unable to predict when all, or any of, such travel restrictions will be eased, or the period of time required for tourism to return to pre-pandemic levels (if at all);
- the impact on the travel and leisure industry from factors such as an outbreak of an infectious disease, such as the COVID-19 pandemic, extreme weather patterns or natural disasters, military conflicts and any future security alerts and/or terrorist attacks or other acts of violence;
- general domestic or global political and economic conditions, including in China and Hong Kong, which may impact levels of travel, leisure and consumer spending;
- our ability to successfully operate our casinos;
- our ability to extend or renew our Macau gaming subconcession beyond its current expiration date in 2022;
- our ability to obtain or maintain all required governmental approval, authorizations and licenses for our operations;
- our compliance with conditions and covenants under the existing and future indebtedness;
- capital and credit market volatility;
- our ability to raise additional capital, if and when required;

- our future business development, results of operations and financial condition;
- the expected growth of the gaming and leisure market in Macau, the Philippines and Cyprus;
- the liberalization of travel restrictions on PRC citizens and convertibility of the Renminbi;
- the tightened control of certain cross-border fund transfers from the PRC;
- the availability of credit for gaming patrons;
- the uncertainty of tourist behavior related to spending and vacationing at casino resorts in Macau , the Philippines and Cyprus;
- fluctuations in occupancy rates and average daily room rates in Macau and the Philippines;
- our ability to continue to develop new technologies and/or upgrade our existing technologies;
- cybersecurity risks including misappropriation of customer information or other breaches of information security;
- our ability to protect our intellectual property rights;
- increased competition from other casino hotel and resort projects in Macau and elsewhere in Asia, including the concessionaires (Sociedade de Jogos de Macau, S.A., or SJM, Wynn Resorts (Macau) S.A., or Wynn Macau, Galaxy Casino, S.A., or Galaxy) and subconcessionaires (including MGM Grand Paradise, S.A., or MGM Grand, and Venetian Macau Limited, or Venetian Macau) in Macau;
- our ability to develop the additional land on which Studio City is located in accordance with Studio City land concession requirements, our business plan, completion time and within budget;
- our development of City of Dreams Mediterranean and our entering into new development and construction projects and new ventures in or outside of Macau, the Philippines or Cyprus;
- construction cost estimates for our development projects, including projected variances from budgeted costs;
- government policies and regulation relating to the gaming industry, including gaming table allocations, gaming license approvals in Macau, the Philippines and Cyprus and the legalization of gaming in other jurisdictions;
- the completion of infrastructure projects in Macau, the Philippines and Cyprus;
- our ability to retain and increase our customers;
- our ability to offer new services and attractions;
- the outcome of any current and future litigation; and
- other factors described under “Item 3. Key Information — D. Risk Factors.”

The forward-looking statements made in this annual report on Form 20-F relate only to events or information as of the date on which the statements are made in this annual report on Form 20-F. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report on Form 20-F and the documents that we referenced in this annual report on Form 20-F and have filed as exhibits with the U.S. Securities and Exchange Commission, or the SEC, completely and with the understanding that our actual future results may be materially different from what we expect.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following selected consolidated statement of operations data for the years ended December 31, 2020, 2019 and 2018 and balance sheet data as of December 31, 2020 and 2019 have been derived from our audited consolidated financial statements included elsewhere in this annual report beginning on page F-1. The Company adopted Accounting Standards Codification 326, *Financial Instruments — Credit Losses (Topic 326)* ("ASU 2016-13") on January 1, 2020 under the modified retrospective method. Results for the periods beginning on or after January 1, 2020 are presented under the ASU 2016-13, while prior year amounts are not adjusted and continue to be reported in accordance with the previous basis. The Company adopted Accounting Standards Codification 842, *Leases (Topic 842)* ("New Leases Standard") on January 1, 2019 under the modified retrospective method. Results for the periods beginning on or after January 1, 2019 are presented under the New Leases Standard, while prior year amounts are not adjusted and continue to be reported in accordance with the previous basis. The Company adopted a new revenue recognition standard issued by the Financial Accounting Standards Board (the "New Revenue Standard") on January 1, 2018 under the modified retrospective method. Results for the periods beginning on or after January 1, 2018 are presented under the New Revenue Standard, while prior year amounts are not adjusted and continue to be reported in accordance with the previous basis.

In connection with the Cyprus Acquisition pursuant to which we acquired a 75% equity interest in ICR Cyprus from Melco International on July 31, 2019, the comparative information for 2018 and 2017 included the assets and liabilities of ICR Cyprus and its subsidiaries that were acquired by the Company at historical carrying amounts, and the financial results of ICR Cyprus and its subsidiaries, as if the Cyprus Acquisition had been in effect since the inception of common control resulting from the acquisition of ICR Cyprus and its subsidiaries by Melco International in September 2017 in accordance with Accounting Standards Codification 805-50, *Business Combinations — Related Issues*.

The selected consolidated statement of operations data for the years ended December 31, 2017 and 2016 and the balance sheet data as of December 31, 2018, 2017 and 2016 have been derived from our consolidated financial statements not included in this annual report.

Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. You should read the selected consolidated financial data in conjunction with our consolidated financial statements and related notes and "Item 5. Operating and Financial Review and Prospects" included elsewhere in this annual report. The historical results are not necessarily indicative of the results of operations to be expected in the future.

	Year Ended December 31,				
	2020[1]	2019[2]	2018[3]	2017	2016
	(In thousands of US$, except share and per share data and operating data)				
Consolidated Statements of Operations Data:					
Total operating revenues / Net revenues	$ 1,727,923	$ 5,736,801	$ 5,188,942	$ 5,284,823	$ 4,519,396
Total operating costs and expenses	$ (2,668,480)	$ (4,989,123)	$ (4,575,495)	$ (4,680,283)	$ (4,156,280)
Operating (loss) income	$ (940,557)	$ 747,678	$ 613,447	$ 604,540	$ 363,116
Net (loss) income	$ (1,454,614)	$ 394,228	$ 338,896	$ 312,220	$ 66,918
Net loss (income) attributable to noncontrolling interests	$ 191,122	$ (21,055)	$ 1,403	$ 32,608	$ 108,988
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (1,263,492)	$ 373,173	$ 340,299	$ 344,828	$ 175,906
Net (loss) income attributable to Melco Resorts & Entertainment Limited per share					
— Basic	$ (0.882)	$ 0.260	$ 0.226	$ 0.232	$ 0.116
— Diluted	$ (0.884)	$ 0.258	$ 0.224	$ 0.230	$ 0.115

	Year Ended December 31,				
	2020[1]	2019[2]	2018[3]	2017	2016
	(In thousands of US$, except share and per share data and operating data)				
Net (loss) income attributable to Melco Resorts & Entertainment Limited per ADS [4]					
— Basic	$ (2.647)	$ 0.779	$ 0.678	$ 0.697	$ 0.348
— Diluted	$ (2.652)	$ 0.775	$ 0.673	$ 0.691	$ 0.346
Weighted average shares outstanding used in net (loss) income attributable to Melco Resorts & Entertainment Limited per share calculation					
— Basic	1,432,052,735	1,436,569,083	1,506,551,789	1,484,379,459	1,516,714,277
— Diluted	1,432,052,735	1,443,447,422	1,516,410,062	1,496,068,459	1,525,284,272
Dividends declared per share	$ 0.05504	$ 0.2135	$ 0.1867	$ 0.5604	$ 0.2408

	December 31,				
	2020[1]	2019	2018	2017	2016
	(In thousands of US$)				
Consolidated Balance Sheets Data:					
Cash and cash equivalents	$ 1,755,351	$ 1,394,982	$ 1,472,423	$ 1,436,940	$ 1,702,310
Investment securities	—	618,305	91,598	89,874	—
Bank deposits with original maturities over three months	—	—	—	9,884	210,840
Restricted cash	419	37,520	48,166	45,542	39,282
Total assets[6]	9,020,967	9,488,422	9,121,996	9,150,822	9,340,341
Total current liabilities[6]	1,116,250	1,525,460	2,146,928	1,685,689	1,479,140
Long-term debt, net [5]	5,645,391	4,394,131	4,060,917	3,557,562	3,720,275
Total liabilities[6]	7,182,896	6,345,194	6,149,704	5,561,135	5,516,927
Noncontrolling interests [7]	735,950	704,260	675,015	511,451	479,544
Total equity [7]	1,838,071	3,143,228	2,972,292	3,589,687	3,823,414
Ordinary shares	14,565	14,565	15,385	15,339	14,759

(1) We adopted the ASU 2016-13 on January 1, 2020 under the modified retrospective method. There was no material impact on our financial position as of January 1, 2020 and December 31, 2020 and our results of operations for the year ended December 31, 2020 as a result of the adoption of the ASU 2016-13.

(2) We adopted the New Leases Standard on January 1, 2019 under the modified retrospective method. There was no material impact on our results of operations for the year ended December 31, 2019 as a result of the adoption of the New Leases Standard.

(3) We adopted the New Revenue Standard on January 1, 2018 under the modified retrospective method. Results for the periods beginning on or after January 1, 2018 are presented under the New Revenue Standard, while prior year amounts are not adjusted and continue to be reported in accordance with the previous basis.

(4) Each ADS represents three ordinary shares.

(5) Includes current and non-current portion of long-term debt, net of debt issuance costs.

(6) We adopted the New Leases Standard on January 1, 2019 under the modified retrospective method and recognized US$154.5 million of operating lease right-of-use assets (including the reclassification of deferred rent assets, prepaid rent, deferred rent liabilities and accrued rent to operating lease right-of-use assets) and US$170.8 million of operating lease liabilities as of January 1, 2019. As of December 31, 2019, operating lease right-of-use assets and operating lease liabilities were US$111.0 million and US$121.4 million, respectively.

(7) We adopted the New Revenue Standard on January 1, 2018 under the modified retrospective method and recognized an increase to the opening balance of accumulated losses and noncontrolling interests of US$11.3 million and US$1.7 million, respectively, due to the cumulative effect of adopting the New Revenue Standard.

The following events/transactions affect the year-to-year comparability of the selected financial data presented above:

- In May 2016, we repurchased 155,000,000 ordinary shares (equivalent to 51,666,666 ADSs) from Crown Asia Investments Pty, Ltd. for the aggregate purchase price of US$800.8 million, and such shares were subsequently cancelled by us
- On November 30, 2016 (December 1, 2016, Hong Kong time), we repaid the Studio City Project Facility (other than the HK$1.0 million rolled over into the term loan facility of the 2021 Studio City Senior Secured Credit Facility, which was entered into on November 23, 2016) as funded by the net proceeds from the offering of Studio City Company Notes issued by Studio City Company on November 30, 2016 and cash on hand
- In May 2017, we issued and sold 27,769,248 ADSs (equivalent to 83,307,744 ordinary shares) and 81,995,799 ordinary shares and also repurchased 165,303,544 ordinary shares from Crown Asia Investments Pty, Ltd. for the aggregate purchase price of US$1.2 billion, and such repurchased shares were subsequently cancelled by us
- On June 6, 2017, Melco Resorts Finance issued US$650.0 million in aggregate principal amount of the 2025 Senior Notes
- On June 14, 2017, together with the net proceeds from the issuance of US$650.0 million in aggregate principal amount of the 2025 Senior Notes along with the proceeds in the amount of US$350.0 million from a partial drawdown of the revolving credit facility under the 2015 Credit Facilities and cash on hand, Melco Resorts Finance redeemed all of our outstanding 2021 Senior Notes
- On July 3, 2017, Melco Resorts Finance issued US$350.0 million in aggregate principal amount of the 2025 Senior Notes, the net proceeds from which were used to repay in full the US$350.0 million drawdown from the revolving credit facility under the 2015 Credit Facilities
- On October 9, 2017, Melco Resorts Leisure partially redeemed the Philippine Notes in an aggregate principal amount of PHP7.5 billion, together with accrued interest
- On June 15, 2018, Morpheus commenced operations with its grand opening on the same date
- On August 31, 2018, Melco Resorts Leisure partially redeemed the Philippine Notes in an aggregate principal amount of PHP5.5 billion, together with accrued interest
- In October 2018, SCI completed its initial public offering of 28,750,000 SC ADSs (equivalent to 115,000,000 Class A ordinary shares of SCI)
- In November 2018, SCI completed the exercise by the underwriters of their over-allotment option in full to purchase an additional 4,312,500 SC ADSs from SCI
- On December 13, 2018, MCO Investments completed its tender offer for the common shares of MRP and, together with an additional of 107,475,300 common shares of MRP acquired by MCO Investments on or after December 6, 2018, increased the Company’s equity interest in MRP from approximately 72.8% immediately prior to the announcement of the tender offer to approximately 97.9% on December 13, 2018
- On December 28, 2018, Melco Resorts Leisure redeemed all of the Philippine Notes which remained outstanding
- On December 31, 2018, Studio City Finance partially redeemed the 2020 Studio City Notes in an aggregate principal amount of US$400.0 million, together with accrued interest
- On January 22, 2019, Studio City Finance commenced the 2020 Studio City Notes Tender Offer, which expired on February 4, 2019. The aggregate principal amount of valid tenders received and not validly withdrawn under the 2020 Studio City Notes Tender Offer amounted to US$216.5 million

- On February 11, 2019, Studio City Finance issued US$600.0 million in aggregate principal amount of 2024 Studio City Notes, the net proceeds of which were used to pay the tendering noteholders from the 2020 Studio City Notes Tender Offer and, on March 13, 2019, to redeem, together with accrued interest, all remaining outstanding amounts of the 2020 Studio City Notes
- On April 26, 2019, Melco Resorts Finance issued US$500.0 million in aggregate principal amount of the 2026 Senior Notes, the net proceeds from which were used to partially repay the principal amount outstanding under the revolving credit facility under the 2015 Credit Facilities
- On May 30, 2019, we agreed to purchase an approximately 19.99% ownership interest in Crown Resorts from CPH Crown Holdings Pty Limited in two equal tranches under a definitive purchase agreement entered into on the same date. On June 6, 2019, we acquired the first tranche of an approximately 9.99% ownership interest in Crown Resorts for which we paid the purchase price of AUD879.8 million (equivalent to approximately US$617.8 million based on the exchange rate on the transaction date). On February 6, 2020, we agreed with CPH Crown Holdings Pty Limited to terminate the obligation to purchase the second tranche of the remaining approximately 9.99% ownership interest in Crown Resorts as originally contemplated under the definitive purchase agreement dated May 30, 2019 (as amended by an amendment agreement dated August 28, 2019)
- On July 17, 2019, Melco Resorts Finance issued US$600.0 million in aggregate principal amount of the 2027 Senior Notes, the net proceeds from which were used to partially repay the principal amount outstanding under the revolving credit facility under the 2015 Credit Facilities
- On July 31, 2019, we acquired a 75% equity interest in ICR Cyprus, whose subsidiaries are operating our temporary casino in Limassol and is licensed to operate four satellite casinos, as well as developing City of Dreams Mediterranean
- On November 30, 2019, Studio City Company fully repaid the 2019 Studio City Company Notes upon its maturity with cash on hand
- On December 4, 2019, Melco Resorts Finance issued US$900.0 million in aggregate principal amount of the First 2029 Senior Notes, the net proceeds from which were used to fully repay the principal amount outstanding under the revolving credit facility and to partially prepay the principal amount outstanding under the term loan facility under the 2015 Credit Facilities
- On April 29, 2020, we sold all of our approximately 9.99% ownership interest in Crown Resorts at the aggregate price of AUD551.6 million (equivalent to approximately US$359.1 million based on the exchange rate on the transaction date)
- On April 29, 2020, our subsidiary, MCO Nominee One, as borrower, entered into the 2020 Credit Facilities pursuant to which the lenders have made available HK$14.85 billion (equivalent to US$1.92 billion) in a revolving credit facility for a term of five years
- On May 6, 2020, MCO Nominee One drew down HK$2.73 billion (equivalent to US$352.2 million) under the 2020 Credit Facilities and, on May 7, 2020, we used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, other than HK$1.0 million (equivalent to US$129,000) which remained outstanding under the term loan facility for the 2015 Credit Facilities. On May 7, 2020, following the repayment of outstanding amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, a part of the revolving credit facility commitments under the 2015 Credit Facilities were canceled, following which the available revolving credit facility commitments under the 2015 Credit Facilities were HK$1.0 million (equivalent to US$129,000)
- On July 15, 2020, Studio City Finance issued US$500.0 million in aggregate principal amount of the 2025 Studio City Notes and US$500.0 million in aggregate principal amount of the 2028 Studio City Notes, from which a portion of the net proceeds were used to redeem in full by Studio City Company of the 2021 Studio City Company Notes

- On July 21, 2020, Melco Resorts Finance issued US$500.0 million in aggregate principal of the First 2028 Senior Notes, the net proceeds from which were used to repay the principal amount outstanding for the revolving credit facility under the 2020 Credit Facilities
- On August 11, 2020, Melco Resorts Finance issued US$350.0 million in aggregate principal of the Additional 2028 Senior Notes
- In relation to a series of private offers of its Class A ordinary shares announced by Studio City International Holdings Limited on July 7, 2020, or the Studio City Private Placements, Studio City International Holdings Limited completed a US$500 million private placement of shares. The net proceeds from this private placement was approximately US$499.2 million, of which US$291.2 million was from noncontrolling interests.
- On September 23, 2020, MCO Nominee One drew down HK$1.94 billion (equivalent to US$249.9 million) under the 2020 Credit Facilities

Exchange Rate Information

The majority of our current revenues are denominated in H.K. dollars, whereas our current expenses are denominated predominantly in Patacas, H.K. dollars, the Philippine peso and Euros. Unless otherwise noted, all translations from H.K. dollars to U.S. dollars and from U.S. dollars to H.K. dollars in this annual report on Form 20-F were made at a rate of HK$7.7528 to US$1.00.

The H.K. dollar is freely convertible into other currencies (including the U.S. dollar). Since October 17, 1983, the H.K. dollar has been officially linked to the U.S. dollar at the rate of HK$7.80 to US$1.00. The market exchange rate has not deviated materially from the level of HK$7.80 to US$1.00 since the peg was first established. However, in May 2005, the Hong Kong Monetary Authority broadened the trading band from the original rate of HK$7.80 per U.S. dollar to a rate range of HK$7.75 to HK$7.85 per U.S. dollar. The Hong Kong government has stated its intention to maintain the link at that rate and, acting through the Hong Kong Monetary Authority, has a number of means by which it may act to maintain exchange rate stability. However, no assurance can be given that the Hong Kong government will maintain the link at HK$7.75 to HK$7.85 per U.S. dollar or at all.

The noon buying rate on December 31, 2020 in New York City for cable transfers in H.K. dollars per U.S. dollars, provided in the H.10 weekly statistical release of the Federal Reserve Board of the United States as certified for customs purposes by the Federal Reserve Bank of New York, was HK$7.7534 to US$1.00. On March 19, 2021, the noon buying rate was HK$7.7646 to US$1.00. We make no representation that any H.K. dollar or U.S. dollar amounts could have been, or could be, converted into U.S. dollar or H.K. dollar, as the case may be, at any particular rate or at all.

The Pataca is pegged to the H.K. dollar at a rate of HK$1.00 = MOP1.03. All translations from Patacas to U.S. dollars in this annual report on Form 20-F were made at the exchange rate of MOP7.9854 = US$1.00. The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Patacas. This annual report on Form 20-F also contains translations of certain Renminbi, New Taiwan dollars, the Philippine peso, Euro and Australian dollar amounts into U.S. dollars. Unless otherwise stated, all translations from Renminbi, New Taiwan dollars, Euros and Australian dollars to U.S. dollars in this annual report on Form 20-F were made at the noon buying rate on December 31, 2020 for cable transfers in RMB, New Taiwan dollars, Euros and Australian dollars per U.S. dollar, as certified for customs purposes by the Federal Reserve Bank of New York, which were RMB6.5250 to US$1.00, TWD28.0800 to US$1.00, EUR0.8177 to US$1.00 and AUD1.2972 to US$1.00, respectively. Unless otherwise stated, all conversions from the Philippine peso to U.S. dollars in this annual report on Form 20-F were made based on the volume weighted average exchange rate quoted through the Bangko Sentral ng Pilipinas (BSP), which was PHP48.036 to US$1.00 on December 29, 2020.

We make no representation that any RMB, TWD, PHP, EUR, AUD or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB or TWD or PHP or EUR or AUD, as the case may be, at any particular rate or at all. On March 19, 2021, the noon buying rate was RMB6.5070 to US$1.00, TWD28.4200 to US$1.00, EUR0.8397 to US$1.00 and AUD1.2910 to US$1.00. The exchange rate as of March 19, 2021 as provided by Bangko Sentral ng Pilipinas (BSP) was PHP48.673 US$1.00.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in this Item 3.D. “Risk Factors” in this annual report for a more thorough description of these and other risks.

You should carefully consider the following risk factors in addition to the other information set forth in this annual report. Our business, financial condition and results of operations can be affected materially and adversely by any of the following risk factors.

Risks Relating to Our Business and Operations

- Risks relating to the COVID-19 pandemic and other epidemics and pandemics.
- Risks relating to our significant projects in various phases of development, including construction risks.
- Risks relating to generating a substantial portion of revenues and cash from Macau and Philippines.
- Risks relating to operating in a highly regulated industry, including complying with regulatory requirements for and restrictions on the development of Studio City and City of Dreams Mediterranean.
- Risks relating to regional political, social, economic and legal risks in the Macau, Philippines and Cyprus.
- Risks relating to facing intense competition.
- Risks relating to depending on the continued efforts of our senior management and retaining qualified personnel.
- Risks relating to inadequate insurance coverage.
- Risks relating to operating in the gaming industry, including risk of cheating and counterfeiting, inability to collect receivables from credit customers and dependence on gaming promoters for a portion of our gaming revenues.
- Risks relating to mergers, acquisitions, strategic transactions and investments.
- Risks relating to failure to comply with anti-corruption laws and anti-money laundering policies.
- Risks relating to failure to protect the integrity and security of data, including customer information.
- Risks relating to being delisted from the Nasdaq if the PCAOB continues to be unable to inspect our independent registered public accounting firm for three years.

Risks Relating to Operating in the Gaming Industry in Macau

- Risks relating to the Melco Resorts Macau’s Subconcession Contract.
- Risks relating to restrictions on export of Renminbi.
- Risks relating to adverse changes or developments in gaming laws or other regulations in Macau.
- Risks relating to limits on the maximum number of gaming tables in Macau.

Risks Related to Operating in the Gaming Industry in the Philippines

- Risks related to tenancy relationships as the land and buildings comprising the site of City of Dreams Manila are leased.

- Risks relating to the regulatory requirements for and restrictions on the operation of City of Dreams Manila.
- Risks relating to a suspension of VIP gaming operations at City of Dreams Manila under certain circumstances.

Risks Relating to Operating in the Gaming Industry in Cyprus

- Risks relating to the continued partnership and cooperation of The Cyprus Phassouri (Zakaki) Limited for the operation of our Cyprus casinos.
- Risks relating to the regulatory requirements for and restrictions on our operations in Cyprus and the development of City of Dreams Mediterranean.

Risks Relating to Our Corporate Structure and Ownership

- Risks relating to the substantial influence our controlling shareholder has over us.
- Risks relating to competing with Melco International on casino projects.

Risks Relating to Our Financing and Indebtedness

- Risks relating to our current, project and potential future indebtedness and our need for additional financing.
- Risks relating to the inability to generate sufficient cash flow to meet our debt service obligations.
- Risks relating to compliance with credit facilities and debt instruments.

Risks Relating to Our Business and Operations

The COVID-19 pandemic has had, and will likely to continue to have, a material and adverse effect on our business, financial condition and results of operations.

In December 2019, an outbreak of COVID-19 was identified and has since spread around the world. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Many governments around the world have implemented a variety of measures to reduce the spread of COVID-19, including travel restrictions and bans, instructions to residents to practice social distancing, quarantine advisories, shelter-in-place orders and required closures of non-essential businesses. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets.

As a result of the COVID-19 outbreak, the PRC government suspended the issuance of group and individual travel visas from China to Macau and the Hong Kong SAR government suspended all ferry and helicopter services between Hong Kong and Macau. In addition, the Macau government required all casinos in Macau to be closed for a 15-day period in February 2020. Upon resumption of operations in February 2020, casinos in Macau were required to implement health-related precautionary measures, including temperature checks, mask protection, health declarations and requirements that gaming patrons be stopped from congregating together, that the number of players and spectators at tables be limited to three to four, that gaming patrons be prohibited from sitting in adjacent seats at gaming tables and that gaming patrons and casino employees maintain minimum physical distances.

Quarantine-free travel, subject to COVID-19 safeguards such as testing and the usual visa requirements, was reintroduced between Macau and an increasing number of areas and cities within the PRC in progressive phases from June to August 2020, commencing with an area in Guangdong Province, which is

adjacent to Macau, and expanding to additional areas and major cities within Guangdong Province, followed by most other areas of the PRC. On September 23, 2020, mainland China authorities fully resumed the IVS exit visa program, which permits individual PRC citizens from nearly 50 PRC cities to travel to Macau for tourism purposes. On December 21, 2020, the Macau government announced that generally, individuals who have been to countries and regions other than mainland China and Taiwan in the preceding 21 days are required to undergo a mandatory 21-day quarantine upon entry into Macau from mainland China, Taiwan or Hong Kong. While certain travel restrictions have eased, health-related precautionary measures remain in place and customers were only recently permitted to enter casino premises in Macau without a negative nucleic acid test certificate. In addition, foreigners continue to be unable to enter Macau, except if they have been in mainland China in the preceding 21 days and are eligible for an exemption application.

According to the DSEC, visitor arrivals to Macau decreased by 85.0% on a year-over-year basis in 2020 as compared to 2019 while, according to the DICJ, gross gaming revenues in Macau declined by 79.3% on a year-over-year basis in 2020. As we derive a significant majority of our revenues from our business and operations in Macau, our business has been materially and adversely affected by the COVID-19 pandemic.

In the Philippines, in February 2020, the Philippine government announced restrictions on inbound travel from mainland China, Hong Kong, Macau and Taiwan as a measure to control the COVID-19 outbreak. Subsequently, on March 16, 2020, the country, including Metro Manila, was placed under enhanced community quarantine with severe measures imposed including strict home quarantine, suspension of land, domestic air and domestic sea travel, limitation on inbound travel from other countries, prohibition of mass gatherings and suspension of work at various non-essential government offices and private offices. PAGCOR likewise ordered the suspension of all casinos and other gaming operations in Metro Manila, which includes City of Dreams Manila, for the duration of the enhanced community quarantine and, as a further attempt to restrict inbound tourists, the Philippine government has temporarily suspended the issuance of new visas and certain visa-free entries into the country from March 2020. Eventually, Metro Manila was placed under modified enhanced community quarantine in May 2020. In June 2020, the community quarantine in Metro Manila was further downgraded to general community quarantine thereby prompting PAGCOR to allow casinos to conduct dry run gaming operations at a limited operational capacity. However, PAGCOR again ordered the closure of casinos when Metro Manila was placed under modified enhanced community quarantine in August 2020 and only allowed the resumption of the casinos' dry run gaming operations when Metro Manila reverted to general community quarantine on August 19, 2020. The general community quarantine in Metro Manila was originally extended to until March 31, 2021. During the general community quarantine period, other than the closure in August 2020, City of Dreams Manila's casino has been open since June 19, 2020, allowing a limited capacity of players and guests. Subject to certain restrictions imposed by the Philippine Department of Tourism, our three hotels at City of Dreams Manila also resumed limited operations commencing from around October 2020 and certain of the dining establishments at City of Dreams Manila also resumed operations at a limited operational capacity during the last quarter of 2020. However, on March 27, 2021, the Philippine Government re-imposed the enhanced community quarantine over Metro Manila and adjacent provinces from March 29, 2021 to April 4, 2021 to stem the recent surge of COVID-19 cases. Under the enhanced community quarantine, additional restrictions were introduced that included prohibitions of mass gatherings, restrictions of movements of persons aged above 65 and under 18 and the imposition of a curfew from 6 p.m. to 5 a.m. City of Dreams Manila also temporarily closed beginning on March 29, 2021, and will remain closed for the duration of the enhanced community quarantine period. Such measures have had, and will likely continue to have, a material adverse effect on the business and operations of City of Dreams Manila.

In Cyprus, with outbreaks of COVID-19 occurring throughout Europe, following an earlier decree given by the Minister of Health of Cyprus on March 10, 2020 that prohibited more than 75 people from gathering in the same indoor area until March 31, 2020, on March 15, 2020 and thereafter, the Cyprus government announced a series of measures designed to contain the spread of COVID-19 that included closures of private businesses such as shopping malls, department stores, restaurants, cafes, nightclubs, cinemas, museum, sports venues and our casino operations in Cyprus for four weeks with effect from March 16, 2020, suspension of all

hotel operations from March 22, 2020 to June 8, 2020, restrictions on inbound travel into Cyprus that included the suspension of all passenger flights into Cyprus from March 12, to June 8, 2020 and further restrictions on non-essential social and business activities from March 24, 2020 to May 3, 2020 that included suspension of most construction work within the country, including construction work at our City of Dreams Mediterranean project. During the first lockdown in Cyprus that began in March 2020, various restrictions were later extended until June that included the suspension of our casino operations in Cyprus until June 13, 2020. While there were some relaxation to the inbound flight restrictions during the summer period, restrictions remain in place for travelers coming from certain high-risk countries and certain travelers may be required to undergo 14-day self-isolation upon arrival in Cyprus or subject to other requirements. Commencing from October 23, 2020, the cities of Limassol and Paphos became subject to a 11 p.m. to 5 a.m. curfew and our operations in those cities were required to be closed during those hours while the curfew remained in place. On November 12, 2020, as part of a regional lockdown, our casino operations in Limassol and Paphos were suspended until November 30, 2020 and thereafter, the government of Cyprus announced nationwide measures from November 30, 2020 to December 31, 2020, in an effort to prevent the spread of COVID-19 which included, among others, curfew, restrictions on gatherings, sports, food and beverages and retail businesses and closure of various other businesses, including our casino operations in Cyprus. Our operations in Cyprus are currently closed and will remain closed while such measures remain in place. Such measures have had, and will likely continue to have, a material adverse effect on the business and operations of our Cyprus properties.

The COVID-19 pandemic has also caused severe disruptions to the businesses of our tenants and other business partners, which may increase the risk of them defaulting on their contractual obligations with us resulting in potential increases in our bad debts.

As the impact from the COVID-19 pandemic is ongoing, any recovery from such disruptions will depend on future events, such as the successful production, distribution and widespread acceptance of safe and effective vaccines; the development of effective treatments for COVID-19; the duration of travel and visa restrictions, and customer sentiment and behavior (including the length of time before customers resume travel and participation in entertainment and leisure activities at high-density venues and the impact of potential higher unemployment rates, declines in income levels and loss of personal wealth resulting from the COVID-19 pandemic on consumer behavior related to discretionary spending and traveling), all of which are highly uncertain. While COVID-19 vaccines have been approved in various countries, the production, distribution and administration of any such vaccines on a widespread basis may take a significant amount of time, and there can be no assurances as to the long-term safety and efficacy of such vaccines or if the current vaccines will be effective against new strains of the coronavirus that causes COVID-19. Moreover, even if the COVID-19 pandemic subsides, there is no guarantee that travel and consumer sentiment will rebound quickly or at all.

The disruptions to our business caused by the COVID-19 pandemic have had a material and adverse effect on our business, financial condition and results of operations and as such disruptions are ongoing, such material and adverse effects will likely continue.

Our operating history may not serve as an adequate basis to judge our future operating results and prospects. We have significant projects in various phases of development and therefore are subject to significant risks and uncertainties.

Our business operating history is shorter than some of our competitors and therefore may not serve as an adequate basis for your evaluation of our business and prospects. City of Dreams commenced operations in June 2009 and Morpheus, the third phase of City of Dreams, opened in June 2018. In addition, City of Dreams Manila commenced operations in December 2014 and Studio City commenced operations in October 2015. We also operate a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos and are developing City of Dreams Mediterranean in Cyprus, a project in which we acquired a 75% equity interest in July 2019. Furthermore, we have significant projects, such as the remaining development of the land on which Studio City is located and City of Dreams Mediterranean in Cyprus as described above, both of which are in various phases of design or development.

We face certain risks, expenses and challenges in operating gaming businesses in intensely competitive markets. Some of the risks relate to our ability to:

- fulfill conditions precedent to draw down or roll over funds from current and future credit facilities;
- respond to economic uncertainties, including the higher prospect of a global recession and a contraction of liquidity in the global credit markets as a result of the COVID-19 pandemic;
- comply with covenants under our existing and future debt issuances and credit facilities;
- raise additional capital, as required;
- respond to changing financing requirements;
- operate, support, expand and develop our operations and our facilities;
- attract and retain customers and qualified employees;
- maintain effective control of our operating costs and expenses;
- maintain internal personnel, systems, controls and procedures to assure compliance with the extensive regulatory requirements applicable to the gaming business as well as regulatory compliance as a public company;
- respond to competitive and/or deteriorating market conditions;
- respond to changes in our regulatory environment and government policies; and
- renew or extend leases or right to use agreements for existing Mocha Clubs or identify suitable locations and enter into new leases or right to use agreements for new Mocha Clubs or existing Mocha Clubs which we may relocate.

If we are unable to complete any of these tasks or successfully manage one or more of the risks, we may be unable to operate our businesses in the manner we contemplate and generate revenues from such projects in the amounts and by the times we anticipate. We may also be unable to meet the conditions to draw on our existing or future financing facilities in order to fund various activities, which may result in a default under our existing or future financing facilities. If any of these events were to occur, it would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

We generate a substantial portion of our cash flow from our properties in Macau and the Philippines and, as a result, we are subject to greater risks than a gaming company which operates in more geographical regions.

We are a parent company with limited business operations of our own. We conduct most of our business operations through our direct and indirect subsidiaries. Our primary sources of cash are dividends and distributions with respect to our ownership interests in our subsidiaries that are derived from the earnings and cash flow generated by our operating properties.

While we commenced operation of our temporary casino and satellite casinos in Cyprus, we primarily depend on our properties in Macau and City of Dreams Manila for our cash flow. Given that our operations are and will be primarily conducted based on our principal properties in Macau and one property in Manila prior to the opening of City of Dreams Mediterranean, we are and will be subject to greater risks resulting from limited diversification of our businesses and sources of revenues as compared to gaming companies with more operating properties in various geographic regions. These risks include, but are not limited to:

- dependence on the gaming, tourism and leisure market in Macau and the Philippines;
- limited diversification of businesses and sources of revenues;

- a decline in air, land or ferry passenger traffic to Macau or the Philippines from China or other areas or countries due to higher ticket costs, fears concerning travel, travel restrictions or otherwise, including as a result of the outbreak of widespread health epidemics or pandemics, such as the outbreak of COVID-19, or any social unrest in Hong Kong;
- a decline in economic and political conditions in Macau, China, the Philippines or Asia, or an increase in competition within the gaming industry in Macau, the Philippines or generally in Asia;
- inaccessibility to Macau or the Philippines due to inclement weather, road construction or closure of primary access routes;
- austerity measures imposed now or in the future by the governments in China or other countries in Asia;
- tightened control of cross-border fund transfers and/or foreign exchange regulations or policies effected by the Chinese, Macau and/or Philippine governments;
- changes in Macau, China and Philippine laws and regulations, including gaming laws and regulations, anti-smoking legislation, or interpretations thereof, as well as China travel and visa policies;
- any enforcement or legal measures taken by the Chinese government to deter gaming activities and/or marketing thereof;
- natural and other disasters, including typhoons, earthquakes, volcano eruptions, outbreaks of infectious diseases, terrorism, violent criminal activities or disruption affecting Macau or the Philippines;
- lower than expected rate of increase or decrease in the number of visitors to Macau or the Philippines;
- relaxation of regulations on gaming laws in other regional economies that could compete with the Macau and the Philippine markets;
- government restrictions on growth of gaming markets, including policies on gaming table allocation and caps; and
- a decrease in gaming activities and other spending at our properties.

Any of these developments or events could have a material adverse effect on our business, cash flows, financial condition, results of operations and prospects.

All our current and future construction projects are and will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects.

All our current and future construction projects are and will be subject to a number of risks, including:

- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- disruptions to key supply markets, including shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation, including any disruptions resulting from the COVID-19 pandemic;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;
- lack of sufficient, or delays in availability of, financing;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;
- labor disputes or work stoppages;

- shortage of qualified contractors and suppliers or inability to enter into definitive contracts with contractors with sufficient skills, financial resources and experience on commercially reasonable terms, or at all;
- disputes with, and defaults by, contractors and subcontractors and other counter-parties;
- personal injuries to workers and other persons;
- environmental, health and safety issues, including site accidents and the spread or outbreak of infectious diseases, such as the ongoing COVID-19 pandemic;
- weather interferences or delays;
- fires, typhoons and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these events could increase the total costs, delay or prevent the construction or opening or otherwise affect the design and features of any existing or future construction projects which we might undertake. We cannot guarantee that our construction costs or total project costs for existing or future projects will not increase beyond amounts initially budgeted.

We could encounter substantial cost increases or delays in the development of our projects, which could prevent or delay the opening of such projects.

We have certain projects under development or intended to be developed pursuant to our expansion plan. The completion of these projects is subject to a number of contingencies, including adverse developments in applicable legislation, delays or failures in obtaining necessary government licenses, permits or approvals, disruptions to key supply markets, including shortages of, and price increases in energy, materials and skilled and unskilled labor, and inflation, including any disruptions resulting from the COVID-19 outbreak. The occurrence of any of these developments could increase the total costs or delay or prevent the construction or opening of new projects, which could materially and adversely affect our business, financial condition and results of operations. For example, construction work at our City of Dreams Mediterranean project was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak. We may also require additional financing to develop our projects. Our ability to obtain such financing depends on a number of factors beyond our control, including market conditions such as the higher prospect of a global recession and a contraction of liquidity in the global credit markets caused by the effect of the large-scale global COVID-19 pandemic, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies and interest rates. In particular, the development of the City of Dreams Mediterranean project is still ongoing and in the early stages and therefore still requires significant additional capital investments. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Cyprus — Our operations in Cyprus, particularly the development of City of Dreams Mediterranean, face significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations" for a discussion of the risks relating to the financing of the development of the City of Dreams Mediterranean project.

There is no assurance that the actual construction costs related to our projects will not exceed the costs we have projected and budgeted. In addition, construction costs, particularly labor costs, are increasing in Macau and in Cyprus, where we are developing the remaining project for Studio City in Macau and City of Dreams Mediterranean in Cyprus, respectively, and we believe that they are likely to continue to increase due to the significant building activity and the ongoing labor shortage in Macau and the increase in building activity and labor shortage in Cyprus, respectively. In addition, immigration and labor regulations as well as travel restrictions imposed as a result of the COVID-19 outbreak in Macau or China may limit or restrict our

contractors' ability to obtain sufficient laborers from China to make up for any shortages in available labor in Macau and help reduce construction costs and in the case for Cyprus, our contractors may have to make up for any shortages in available labor from other European countries which could increase our labor costs and which may also be impacted by the travel restrictions imposed as a result of the COVID-19 outbreak. Continuing increases in construction costs in Macau and Cyprus will increase the risk that construction will not be completed on time, within budget or at all, which could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects.

Construction is subject to hazards that may cause personal injury or loss of life, thereby subjecting us to liabilities and possible losses, which may not be covered by insurance.

The construction of large-scale properties, including the types of projects we are or may be involved in, can be dangerous. Construction workers at such sites are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractors and us to liabilities, possible losses, delays in completion of the projects and negative publicity. We believe, and require, our contractors take safety precautions that are consistent with industry practice, but these safety precautions may not be adequate to prevent serious personal injuries or loss of life, damage to property or delays. If accidents occur during the construction of any of our projects, we may be subject to delays, including delays imposed by regulators, liabilities and possible losses, which may not be covered by insurance, and our business, prospects and reputation may be materially and adversely affected.

We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by May 31, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land.

Land concessions in Macau are issued by the Macau government and generally have terms of 25 years and are renewable for further consecutive periods of ten years. Land concessions further stipulate a period within which the development of the land must be completed. In accordance with the Studio City land concession and the extension granted by the Macau government, the land on which Studio City is located must be fully developed by May 31, 2022.

While we opened Studio City in October 2015, development for the remaining land of Studio City is still ongoing. Although we have already made significant capital investments for the development for the remaining land of Studio City, we expect to require significant additional capital investments to complete the development. As of December 31, 2020, we had incurred approximately US$256.2 million aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning costs and construction costs. Based on our current plan for the remaining project, we currently expect a project budget of approximately US$1.25 billion to US$1.30 billion for the development of the remaining project (exclusive of any pre-opening costs and financing costs). Such development for the remaining project of Studio City may be funded through various sources, including cash on hand, operating free cash flow as well as debt and/or equity financing. Our ability to obtain any debt financing also depends on a number of factors beyond our control, including market conditions such as the higher prospect of a global recession and fear for a contraction of liquidity in the global credit markets caused by the effect of the large-scale global COVID-19 pandemic and lenders' perceptions of, and demand for the debt financing for, the remaining project of Studio City. There is no guarantee that we can secure the necessary additional capital investments, including any debt financing, required for the development of the remaining project of Studio City in a timely manner or at all.

There is also no guarantee that we will complete the development of the remaining land of Studio City by the deadline. With the disruptions from the COVID-19 outbreak, the construction period has been delayed and is expected to extend beyond the estimated approximately 32 months and the current development period. The

extension of the development period of the remaining project for Studio City is subject to Macau government review and approval at its discretion. While the Macau government may grant extensions if we meet certain legal requirements, there can be no assurance that the Macau government will grant us the necessary extension of the development period or not exercise its rights to terminate the Studio City land concession. In the event that no further extension is granted or the Studio City land concession is terminated, we could lose all or substantially all of our investment in Studio City, including our interest in the land and building and may not be able to continue to operate Studio City as planned, which will materially and adversely affect our business and prospects, results of operations and financial condition.

We are developing the City of Dreams Mediterranean project in Cyprus and we are required under the Cyprus License to open the integrated casino resort by September 30, 2022. If we do not open City of Dreams Mediterranean by that time and the government of Cyprus does not grant us an extension of the opening date, we would be required to pay a penalty to the Cyprus government or even have the Cyprus License terminated if such delay continues beyond a grace period.

Our subsidiary, Integrated Casino Resorts, was granted the Cyprus License by the government of Cyprus on June 26, 2017 to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term. Following the extension granted by the government of Cyprus, the Cyprus License currently requires us to open the integrated casino resort in Limassol, namely City of Dreams Mediterranean, by September 30, 2022, and if we fail to meet such timeline, Integrated Casino Resorts is required to pay the government of Cyprus EUR10,000 (equivalent to approximately US$12,229) for each day of delay and up to a maximum of EUR1.0 million (equivalent to approximately US$1.2 million). If such delay continues for 100 business days, the government of Cyprus has the right to terminate the Cyprus License immediately without any obligation to offer any compensation to us. The development of City of Dreams Mediterranean is still ongoing and there is no guarantee that we will complete the development of the City of Dreams Mediterranean project and open by the deadline. The COVID-19 outbreak has also caused significant disruptions to the construction work at City of Dreams Mediterranean. For example, construction work at City of Dreams Mediterranean was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak. There is no assurance that the Cyprus government will not impose additional restrictions due to the COVID-19 outbreak, which could cause further significant disruptions to the construction work at City of Dreams Mediterranean. Prior to the COVID-19 outbreak, we estimated that City of Dreams Mediterranean would open at the end of 2021. With the disruptions from the COVID-19 outbreak, we have applied for, and the government of Cyprus has granted, an extension of the relevant period to September 30, 2022. If the scheduled opening date of City of Dreams Mediterranean is further delayed and extended beyond the current estimated date, we will have to apply for a further extension of the relevant period. Any application for an extension of the relevant period shall be subject to the review and approval of the government of Cyprus at its discretion and there can be no assurance that the government of Cyprus will grant us any necessary extension or not exercise its right to terminate the Cyprus License in the circumstances highlighted above. In the event that no further extension is granted by the government of Cyprus and the Cyprus License is terminated, we could lose all or substantially all of our investment in Cyprus and may not be able to continue to operate our operations in Cyprus as planned, which will materially and adversely affect our business and prospects, results of operations and financial condition.

Inadequate transportation infrastructure in the Philippines, Macau or Cyprus may hinder increases in visitation to the Philippines, Macau or Cyprus.

City of Dreams Manila is located within Entertainment City, a controlled development in the City of Paranaque. Other than Solaire and Okada Manila, there are currently no other integrated tourism resorts which have begun operations in Entertainment City. It is unlikely that Manila's existing transportation infrastructure is

capable of handling the increased number of tourist arrivals that may be necessary to support visitor traffic to large scale integrated resorts within Entertainment City, such as City of Dreams Manila. Although the NAIA Expressway and the newly constructed Skyway Stage-3 Expressway helped alleviate the traffic congestion within the area surrounding Entertainment City and the Philippine government continues to examine viable alternatives to ease traffic congestion in Manila, there is no guarantee that these measures will succeed, or that they will sufficiently eliminate the traffic problem or other deficiencies in Manila's transportation infrastructure. Traffic congestion and other problems in Manila's transportation infrastructure could adversely affect the tourism industry in the Philippines and reduce the number of potential visitors to City of Dreams Manila, which could, in turn, adversely affect our business and prospects, financial condition and results of our operations.

Macau consists of a peninsula and two islands and is connected to China by two border crossings. Macau has an international airport and connections to China and Hong Kong by road, ferry and helicopter. To support Macau's planned future development as a gaming and leisure destination, the frequency of bus, car, air and ferry services to Macau will need to increase. While various projects are under development to improve Macau's internal and external transportation links, including the Macau Light Rapid Transit and capacity expansion of border crossings, these projects may not be approved, financed or constructed in time to handle the projected increase in demand for transportation or at all, which could impede the expected increase in visitation to Macau and adversely affect our projects in Macau. For example, there has been a delay in the commencement of operation of the Macau Light Rapid Transit, which occurred in December 2019. Any further delays or termination of Macau's transportation infrastructure projects may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Furthermore, the expected benefits from the completion of the Hong Kong-Zhuhai-Macau Bridge, which opened to traffic on October 23, 2018, may not fully materialize, and may not result in significantly increased traffic to Macau and to our Macau properties.

Cyprus is an island in the Eastern Basin of the Mediterranean Sea. It is the third largest island in the Mediterranean after the Italian islands of Sicily and Sardinia. Cyprus has two international airports with flights to other European countries as well as outside of Europe such as Russia, the Middle East and Africa. Cyprus existing transportation infrastructure may be incapable of handling the increased number of tourist arrivals that may be necessary to support visitor traffic to our temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos or City of Dreams Mediterranean (which is currently under development). There is no guarantee that any measures taken by the government of Cyprus will successfully increase air traffic into Cyprus or sufficiently eliminate the traffic problem or other deficiencies in Cyprus' transportation infrastructure.

Our business in Macau, the Philippines and Cyprus is subject to certain regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitation to our properties and have a material adverse effect on our results of operations.

The strength and profitability of our business will depend on consumer demand for integrated resorts and leisure travel in general. Terrorist and violent criminal activities in Europe, the United States, Southeast Asia and elsewhere, military conflicts in the Middle East, social events, natural disasters such as typhoons, tsunamis and earthquakes, and outbreaks of widespread health epidemics or pandemics, including the COVID-19 outbreak, have and may continue to negatively affect travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which such acts or events may affect us, directly or indirectly, in the future. See also "— The COVID-19 pandemic has had, and will likely to continue to have, a material and adverse effect on our business, financial condition and results of operations" and "— An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations." We derive a significant majority of our revenues from our Macau business and a significant number of our customers come from, and are expected to continue to come from, mainland China. Accordingly, our results of operations and financial condition may be materially and adversely affected by

significant political, social and economic developments in Macau and China and our business is sensitive to the willingness of our customers to travel. In particular, our operating results may be adversely affected by:

- changes in Macau's and China's political, economic and social conditions, including any slowdown in economic growth in China;
- tightening of travel or visa restrictions to Macau or from China, including due to the outbreak of infectious disease, such as the COVID-19 outbreak, or austerity measures which may be imposed by the Chinese government;
- measures that may be introduced to control inflation, such as interest rate increases or bank account withdrawal controls; and
- changes in the tax laws and regulations.

For example, our business and operations are affected by the travel or visa restrictions imposed by China on its citizens from time to time. Even before the COVID-19 outbreak, the Chinese government imposed restrictions on exit visas granted to resident citizens of mainland China for travel to Macau. The government further restricts the number of days that resident citizens of mainland China may spend in Macau for certain types of travel. Such travel and visa restrictions, and any changes imposed by the Chinese government from time to time, could disrupt the number of visitors from mainland China to our properties.

Our operations in Macau are also exposed to the risk of changes in laws and policies that govern operations of Macau-based companies. Tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby adversely affecting our profitability after tax. Further, certain terms of our gaming subconcession may be subject to renegotiations with the Macau government in the future, including amounts we will be obligated to pay the Macau government in order to continue operations. The results of any renegotiations could have a material adverse effect on our results of operations and financial condition. In addition, the demand for gaming activities and related services and luxury amenities that we provide through our operations is dependent on discretionary consumer spending and, as with other forms of entertainment, is susceptible to downturns in global and regional economic conditions. An economic downturn may reduce consumers' willingness to travel and reduce their spending overseas, which would adversely impact us as we depend on visitors from mainland China and other countries to generate a substantial portion of our revenues. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, high energy and food prices, the increased cost of travel, weak segments of the job market, perceived or actual disposable consumer income and wealth, fears of recession and changes in consumer confidence in the economy or fears of armed conflict or future acts of terrorism. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel could materially and adversely affect our business, results of operations and financial condition.

In addition, our business and results of operations may be materially and adversely affected by any changes in China's economy, including the decrease in the pace of economic growth. A number of measures taken by the Chinese government in recent years to control the rate of economic growth, including those designed to tighten credit and liquidity, have contributed to a slowdown of China's economy. According to the National Bureau of Statistics of China, China's GDP growth rate was 2.3% in 2020, which was much lower than the 6.0% in 2019. Any slowdown in China's future growth may have an adverse impact on financial markets, currency exchange rates and other economies, as well as the spending of visitors in Macau and our properties. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in China will not occur or persist in the future, that they will not be protracted or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations.

City of Dreams Manila is located in the Philippines and is subject to certain economic, political and social risks within the Philippines. The Philippines has in the past experienced severe political and social

instability, including acts of political violence and terrorism. Any future political or social instability in the Philippines could adversely affect the business operations and financial conditions of City of Dreams Manila. In addition, changes in the policies of the government or laws or regulations, or in the interpretation or enforcement of these laws and regulations, such as anti-smoking policies or legislation, may negatively impact consumption patterns of visitors to City of Dreams Manila and could adversely affect our business operations and financial condition.

In addition, demand for, and the prices of, gaming and entertainment products are directly influenced by economic conditions in the Philippines, including growth levels, interest rates, inflation, levels of business activity and consumption, and the amount of remittances received from overseas Filipino workers. Any deterioration in economic and political conditions in the Philippines or elsewhere in Asia could materially and adversely affect our Company's business in the Philippines, as well as the prospects, financial condition and results of our operations in the Philippines.

Our business in the Philippines will also depend significantly on revenues from foreign visitors and be affected by the development of Manila and the Philippines as a tourist and gaming destination. Such revenues from foreign visitors and development of Manila and the Philippines may be disrupted by events that reduce foreigners' willingness to travel to or create substantial disruption in Metro Manila and raise substantial concerns about visitors' personal safety, such as power outages, civil disturbances, terrorist attacks and outbreak of widespread health epidemics or pandemics, among others. The Philippines has also experienced a significant number of major catastrophes over the years, including typhoons, volcanic eruptions and earthquakes, which have caused road closures and work stoppages in the affected areas as well as cancellation of flights. We cannot predict the extent to which our business in the Philippines and tourism in Metro Manila in general will be affected by any of the above occurrences or fears that such occurrences will take place. We cannot guarantee that any disruption to our Philippine operations will not be protracted, that City of Dreams Manila will not suffer any damages and that any such damage will be completely covered by insurance or at all. Should the Philippines fail to continue to develop as a tourist destination or should Entertainment City or Manila fail to become a widely recognized regional gaming destination, City of Dreams Manila may fail to attract a sufficient number of visitors, which would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows. Any of these occurrences may disrupt our operations in the Philippines.

The subtropical climate and location of both Macau and the Philippines render them susceptible to typhoons, heavy rainstorms and other natural disasters, while Cyprus is also susceptible to heavy rainstorms and other natural disasters. In the event of a major typhoon, such as Typhoon Hato and Typhoon Mangkhut in Macau in August 2017 and September 2018, respectively, or other natural disasters in Macau or the Philippines, our properties may be severely damaged, our operations may be materially and adversely affected and our properties may even be required to temporarily cease operations by regulatory authorities. Any flooding, unscheduled interruption in the technology or transportation services or interruption in the supply of public utilities is likely to result in an immediate and possibly substantial loss of revenues due to a shutdown of any of our properties and material adverse effect on our business operations and financial condition.

Our operations in Cyprus are subject to certain economic, political and social risks within Cyprus, particularly in the occupied part of Cyprus. There are ongoing political, social and economic issues in Cyprus relating to the division of the island following the Turkish invasion of Cyprus in 1974, with the occupied part of Cyprus controlled by Turkey and its military. These issues have recently been escalated due to the discovery and exploration of natural gas in the Cyprus' economic zones as well as in the economic zones around Cyprus. Turkey has unilaterally created its own economic zones overlapping the Cyprus' ones and has initiated exploratory drilling in the area. Any future political or social instability in Cyprus could adversely affect the business operations and financial conditions of our casinos in Cyprus, as well as the development of City of Dreams Mediterranean. In addition, changes in government policies, laws or regulations, or in the interpretation or enforcement of these laws and regulations, may negatively impact consumption patterns of visitors to our facilities in Cyprus and could adversely affect our business operations and financial condition. On the economic

front, Cyprus has suffered badly from a financial crisis in 2013 caused partly by the wider European sovereign debt crisis since 2011. Although Cyprus has emerged from the financial crisis relatively fast after a few years of recession, its relatively small and open economy means it remains susceptible to rapid changes in economic conditions in the neighboring regions or globally.

In addition, the global macroeconomic environment is facing significant challenges, including the higher prospect of a global recession caused by the effect of a large-scale global COVID-19 pandemic, and dampened business sentiment and outlook. These events have also caused significant declines as well as volatility in global equity and debt capital markets, further elevating the risk of an extended global economic downturn or even a global recession that could in turn trigger a severe contraction of liquidity in the global credit markets. Even prior to these events, the global economy was facing the end of quantitative easing by the U.S. Federal Reserve, the continuation of international trade conflicts, including the trade disputes between the United States and China and the potential further escalation of trade tariffs and related retaliatory measures between these two countries and globally. There is considerable uncertainty over the impact and duration of the COVID-19 outbreak on the global macroeconomic environment. In addition, tensions between the United States and China have continued to escalate in 2020 in connection with ongoing trade disputes as well as other political factors, including the COVID-19 outbreak and the status of Hong Kong.

Continued rising political tensions could reduce levels of trade, investment, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. The introduction of the National Security Law for Hong Kong and the U.S. State Department's statements in reaction to it has resulted in a further deterioration in the Sino-U.S. bilateral relationship, which could negatively affect the Chinese economy and its demand for gaming and leisure activities.

In addition, other factors affecting discretionary consumer spending, including amounts of disposable consumer income, fears of recession, lack of consumer confidence in the economy, change in consumer preferences, high energy, fuel and other commodity costs and increased cost of travel may negatively impact our business. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel could materially adversely affect our business, results of operations and financial condition.

Considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China, remains. There have been concerns over conflicts, unrest and terrorist threats in the Middle East, Europe and Africa, including between the United States and Iran, which have resulted in volatility in oil and other markets, and over the conflicts involving Ukraine and Syria and potential conflicts involving the Korean peninsula. Any severe or prolonged slowdown in the global economy or increase in international trade or political conflicts may materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

Policies, campaigns and measures adopted by the PRC and/or Macau governments from time to time could materially and adversely affect our operations.

A significant number of the customers of our properties come from, and are expected to continue to come from, China. Any travel restrictions imposed by China could negatively affect the number of patrons visiting our properties from China. Since mid-2003, under the Individual Visit Scheme, or IVS, Chinese citizens from certain cities have been able to travel to Macau individually instead of as part of a tour group. The Chinese government has in the past restricted and loosened IVS travel frequently and may continue to do so from time to time and it is unclear whether such measures will become more restrictive in the future. A decrease in the number of visitors from China would adversely affect our results of operations. See also "—An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the

economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations" for a discussion of how the COVID-19 outbreak has affected the policies and measures adopted by the PRC and Macau governments.

In addition, certain policies and campaigns implemented by the Chinese government may lead to a decline in the number of patrons visiting our properties in Macau and the amount of spending by such patrons. The strength and profitability of our business depends on consumer demand for integrated resorts in general and for the type of luxury amenities that a gaming operator offers. Initiatives and campaigns undertaken by the Chinese government in recent years have resulted in an overall dampening effect on the behavior of Chinese consumers and a decrease in their spending, particularly in luxury good sales and other discretionary spending. For example, the Chinese government's ongoing anti-corruption campaign has had an overall dampening effect on the behavior of Chinese consumers and their spending patterns both domestically and abroad. In addition, the number of patrons visiting our properties may be affected by the Chinese government's focus on deterring marketing of gaming to Chinese citizens by casinos and its initiatives to tighten monetary transfer regulations, increase monitoring of various transactions, including bank or credit card transactions, and reduce the amount that China-issued ATM cardholders can withdraw in each withdrawal and impose a limit on the annual aggregate amount that may be withdrawn. It has also been reported that the Chinese government is developing its digital currency and has performed certain test trials in its application within mainland China. If a digital currency is adopted by the Macau government for gaming operations in Macau, there could be a material and adverse impact on our operations, especially our VIP rolling chip operations, if limitations on transactions per player are also introduced in conjunction with the adoption of the digital currency. In addition, amendments to China's criminal laws, such that anyone that organizes trips for Chinese citizens for the purpose of gambling outside of mainland China, including Macau, may be deemed to have conducted a criminal act, came into effect on March 1, 2021. Further, prior convictions of staff of a foreign casino in China in relation to gaming-related activities in China have also created regulatory uncertainty on marketing activities in China. It is currently unclear whether, and to what extent, these amendments will adversely impact the operations of gaming promoters and any knock-on effect on VIP rolling chip operations as well as on the premium direct, premium mass and mass market segments. A wide interpretation, application or enforcement of these amendments by the PRC governmental authorities could have a material and adverse effect on our business and prospects, financial condition and results of operations. Further, prior convictions of staff of a foreign casino in China in relation to gaming-related activities in China have also created regulatory uncertainty on marketing activities in China.

We derive a significant majority of our revenues from our Macau gaming business and any disruptions or downturns in the Macau gaming market may have a material impact on our business.

Prior to 2014, we derived substantially all of our revenues from our business and operations in Macau. We now also generate revenues from our Philippine and Cyprus operations, but continue to derive a significant majority of our revenues from our Macau gaming business and may be materially affected by any disruptions or downturns in the Macau gaming market. While the Macau gaming market has generally improved since the third quarter of 2016 to the last quarter of 2018, the Macau gaming market, according to the DICJ, experienced a decline in gross gaming revenues from 2014 to 2016. We believe such decline was primarily driven by a deterioration in gaming demand from China, which provides a core customer base for the Macau gaming market, as well as other restrictions including the imposition of travel restrictions and the implementation of smoking restrictions in casinos. According to the DICJ, gross gaming revenues in Macau declined by 3.4% on a year-over-year basis in 2019. We believe such year-over-year decline in 2019 was mainly driven by a decline in VIP gaming revenues in Macau and the slowdown in the Chinese economy. According to the DICJ, gross gaming revenues in Macau declined by 79.3% on a year-over-year basis in 2020. We believe such year-over-year decline in 2020 was mainly due to the impact of the COVID-19 outbreak, which has resulted in a significant decline in inbound tourism, among other things. Our business, financial condition and results of operations may be materially and adversely affected by such decline or other disruptions in the Macau gaming market. The COVID-19 outbreak has had, and will likely to continue to have, a material adverse effect on the Macau gaming market. See "— An outbreak of widespread health epidemics or pandemics, contagious disease or other

outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations."

The gaming industries in Macau, the Philippines and Cyprus are highly regulated.

Gaming is a highly regulated industry in Macau. Our Macau gaming business is subject to various laws and increased audits and inspections from regulators, such as those relating to licensing, tax rates and other regulatory obligations, such as anti-money laundering measures, which may change or become more stringent. Changes in laws may result in additional regulations being imposed on our gaming operations in Macau and our future projects. Our operations in Macau are also exposed to the risk of changes in the Macau government's policies that govern operations of Macau-based companies and the Macau government's interpretation of, or amendments to, our gaming subconcession. Any such adverse developments in the regulation of the Macau gaming industry could be difficult to comply with and could significantly increase our costs, which could cause our projects to be unsuccessful. See "— Risks Relating to Operating in the Gaming Industry in Macau — Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful."

The Philippine gaming industry is also highly regulated, including the recent amendment to the existing Philippines Anti-Money Laundering Act, as amended ("Philippine AMLA"), whereby casinos are included as covered persons subject to reporting and other requirements under the Philippine AMLA. The Anti-Money Laundering Council and PAGCOR have also recently released regulations and guidelines on compliance. Amendments to existing anti-money laundering regulations have been signed into law, expanding the coverage of the Philippine AMLA and including Philippine offshore gaming operators in the list of covered persons, which includes the Melco Philippine Parties. The authority of the Anti-Money Laundering Council was also expanded to including the power to apply for search and seizure orders, issue subpoenas, and preserve, manage or dispose assets pursuant to a freeze order or judgment of forfeiture. While we have adjusted our anti-money laundering policies for our Philippine operations to the existing new rules and regulations, we cannot assure you that our contractors, agents or employees will continually adhere to any such current or future policies or any such current or future policies will be effective in preventing our Philippines operations from being exploited for money laundering purposes. City of Dreams Manila is also subject to increased audits and inspections from regulators, including those relating to anti-money laundering requirements and measures. City of Dreams Manila may legally operate under the Philippine License, which requires a number of periodic approvals from and reports to PAGCOR. PAGCOR may refuse to approve proposals by us and our gaming promoters, or modify previously approved proposals and may require us and/or our gaming promoters to perform acts with which we disagree. The Philippine License requires, among others, 95.0% of City of Dreams Manila's total employees to be locally hired. PAGCOR could also exert a substantial influence on our human resource policies, particularly with respect to the qualifications and salary levels for gaming employees, especially in light of the fact that employees assigned to the gaming operations are required by PAGCOR to obtain a Gaming Employment License. As a result, PAGCOR could have influence over City of Dreams Manila's gaming operations. Moreover, because PAGCOR is also an operator of casinos and gaming establishments in the Philippines, it is possible that conflicts in relation to PAGCOR's operating and regulatory functions may exist or may arise in the future. In addition, we and our gaming promoters may not be able to obtain, or maintain, all requisite approvals, permits and licenses that various Philippine and local government agencies may require. Any of the foregoing could adversely affect our business, financial condition and results of operations in the Philippines.

Furthermore, our licenses and permits from various Philippine government agencies, such as those related to labor, public works, safety, fire, buildings, health and environmental, are required to be renewed annually. There is no guarantee that the requirements for such permits and licenses will remain the same, or that the relevant Philippine government agencies will not impose additional and more onerous requirements. This may affect our ability to renew our licenses and permits, which could adversely affect our business in the Philippines.

Gaming in Cyprus is a highly regulated new market and subject to various regulations of the European Union that are being developed and adopted in Cyprus. We will have to review and amend our anti-money laundering policies for our operations in Cyprus when new laws and regulations come into force. The CGC has and will continue to conduct business-wide anti-money laundering and counter-terrorist financing inspections at our Cyprus casinos and review our anti-money laundering policies. As a result of these inspections and reviews, we have made, and expect we will need to continue to make, certain adjustments to our policies and compliance procedures from time to time. Being a new gaming regime, there are also less precedents on the interpretation of these laws and regulations. Our Cyprus License also requires us to submit periodic reports to the CGC in areas that include our operations, regulatory compliance, consumer complaints and financial and tax reporting. If we are unable to fully comply with any of the foregoing requirements, we could be subject to fines or other penalties.

Furthermore, our operations in Cyprus require various licenses and permits granted from various governmental or regulatory bodies in Cyprus, such as those related to labor, food and beverages, safety, fire, buildings, health and environmental, some of which are required to be renewed annually. There is no guarantee that the requirements for such permits and licenses will remain the same, or that the relevant Cyprus governmental or regulatory bodies will not impose additional and more onerous requirements. This may affect our ability to renew our licenses and permits or we may not be able to obtain any additional licenses or permits required to conduct our business as our business and operations expand in a timely manner or at all, which could adversely affect our business in the Cyprus.

In addition, current laws and regulations in Macau, the Philippines and Cyprus concerning gaming and gaming concessions and licenses, for the most part, have been enacted or amended recently and there are limited precedents on the interpretation of these laws and regulations. These laws and regulations are complex, and a court or administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new or modified regulations, that differ from our interpretation. For instance, certain decisions issued recently by the Macau courts have determined that a gaming operator is liable for the refund of patron funds deposited with a gaming promoter for various purposes while other Macau court decisions have determined that a gaming operator has no such liability. These decisions are not final. The uncertainty caused by these contradictory decisions, a final adverse determination on a gaming operator’s liability with respect to a gaming promoter’s activity or new or modified regulations could have a material adverse effect on our business, financial condition and results of operations.

Uncertainties in the legal systems in the PRC may expose us to risks.

Gaming-related activities in the PRC, including marketing activities, are strictly regulated by the PRC government and subject to various PRC laws and regulations. The PRC legal system continues to rapidly evolve and the interpretations of many laws, regulations and rules are not always uniform. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all. As a result, we may not be aware of all policies and rules imposed by the PRC authorities which may affect or relate to our business and operations. There is also no assurance that our interpretation of the laws and regulations that affect our activities and operations in the PRC is or will be consistent with the interpretation and application by the PRC governmental authorities. These uncertainties may impede our ability to assess our legal rights or risks relating to our business and activities. Any changes in the laws and regulations, or in the interpretation or enforcement of these laws and regulations, that affect gaming-related activities in the PRC could have a material and adverse effect on our business and prospects, financial condition and results of operations.

In addition, PRC administrative and court authorities have significant discretion in interpreting and implementing statutory terms. Such discretion of the PRC administrative and court authorities increases the uncertainties in the PRC legal system and makes it difficult to evaluate the likely outcome of any administrative and court proceedings in the PRC. Any litigation or proceeding in the PRC may be protracted and result in substantial costs and diversion of our resources and management attention. Any such litigation or proceeding could have a material adverse effect on our business, reputation, financial condition and results of operations.

We face intense competition in Macau, the Philippines and elsewhere in Asia and Europe and may not be able to compete successfully.

The hotel, resort and gaming industries are highly competitive. The competitors of our business in Macau and the Philippines include many of the largest gaming, hospitality, leisure and resort companies in the world. Some of these current and future competitors are larger than we are and may have more diversified resources, better brand recognition and greater access to capital to support their developments and operations in Macau, the Philippines and elsewhere.

In the Philippine gaming market, we compete with hotels and resorts owned by both Philippine nationals and foreigners. PAGCOR, an entity owned and controlled by the government of the Philippines, also operates gaming facilities across the Philippines. Our operations in the Philippines face competition from gaming operators in other more established gaming centers across the region, particularly those of Macau and Singapore, and other major gaming markets located around the world, including Australia and Las Vegas, as we attract similar pools of customers and tourists. A number of such other operators have a longer track record of gaming operations and such other markets have more established reputations as gaming markets. Our operations in the Philippines may not be successful in its efforts to attract foreign customers and independent gaming promoters to City of Dreams Manila, and to promote Manila as a gaming destination.

In Macau, some competitors have opened new properties, expanded operations and/or have announced intentions for further expansion and developments in Cotai, where City of Dreams and Studio City are located. For example, Galaxy Casino, S.A., or Galaxy, opened Galaxy Macau Resort in Cotai in May 2011, Phase 2 of the Galaxy Macau Resort in May 2015, and Phase 3 of the Galaxy Macau Resort is currently being developed and expected to be completed and fully operational in the first half of 2022, while Phase 4 is expected to be completed and operational within a few years after the completion of Phase 3. Sands China Ltd., a subsidiary of Las Vegas Sands Corporation, opened the Parisian Macao in September 2016. Wynn Macau opened the Wynn Palace in Cotai in August 2016. MGM Grand Paradise opened MGM Cotai in February 2018. Sociedade de Jogos de Macau, S.A., or SJM, is currently developing its project in Cotai which is expected to open in the first half of 2021 and Sands Cotai Central in Cotai has been rebranded and redeveloped into The Londoner Macau, which opened in February 2021. See “Item 4. Information on the Company — B. Business Overview — Market and Competition.”

In Cyprus, we hold a 30-year casino gaming license, which commenced from June 2017 and as to which the first 15 years are exclusive. Although we hold the exclusive license to operate casinos in the Republic of Cyprus until 2032, we may face competition from a large number of sports betting shops in Cyprus, online sports betting or other illegal casinos in Cyprus recently closed down by the Cyprus government, and from a large number of casinos in the occupied part of Cyprus or from casinos in nearby parts of Europe and the Middle East.

We also compete to some extent with casinos located in other countries, such as Singapore, Malaysia, South Korea, Vietnam, Cambodia, Australia, New Zealand and elsewhere in the world, including Las Vegas and Atlantic City in the United States. In addition, in December 2016, a law which conceptually enables the development of integrated resorts in Japan took effect. Certain other countries, such as Taiwan and Thailand, may also in the future legalize casino gaming and may not be subject to as stringent regulation as the Macau, Philippine and/or Cyprus markets. We also compete with both legal and illegal online gaming and sports betting websites, cruise ships operating out of Hong Kong and other areas of Asia that offer gaming. In addition, certain of our gaming promoters may become our competitors by operating their own gaming operations, which may result in the diversion of their junket players to their gaming operations. For instance, a major gaming promoter has announced the expansion of its businesses into operating gaming activities in Vietnam, Cambodia and the Philippines. The proliferation of gaming venues in Asia could also significantly and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Currently, Macau is the only region in the Greater China area offering legal casino gaming. Although the Chinese government has strictly enforced its regulations prohibiting domestic gaming operations, there may be casinos in parts of China that are operated illegally and without licenses. In addition, there is no assurance that China will not in the future permit domestic gaming operations. Competition from casinos in China, legal or illegal, could materially and adversely affect our business, results of operations, financial condition, cash flows and prospects.

Our regional competitors also include casino resorts that Melco International may develop elsewhere in Asia Pacific outside Macau or elsewhere in the world. Melco International may develop different interests and strategies for projects in Asia or elsewhere in the world which conflict with the interests of our business in Macau, the Philippines and Cyprus or otherwise compete with us for gaming and leisure customers. See "— Risks Relating to Our Corporate Structure and Ownership."

The governments in Macau and the Philippines could grant additional rights to conduct gaming in the future, which could significantly increase competition and cause us to lose or be unable to gain market share.

In Macau, Melco Resorts Macau is one of the six companies authorized by the Macau government to operate gaming activities. Pursuant to the terms of Macau Law No. 16/2001, or the Macau Gaming Law, the Macau government is precluded from granting more than three gaming concessions. Each concessionaire was permitted to enter into a subconcession agreement with one subconcessionaire. The Macau government is currently considering the process of renewing, extending or granting gaming concessions or subconcessions for concessions and subconcessions expiring in 2022. The policies and laws of the Macau government could result in the grant of additional concessions or subconcessions, which could significantly increase the competition in Macau and cause us to lose or be unable to maintain or gain market share, and as a result, adversely affect our business.

In the Philippines, PAGCOR has issued regular gaming licenses to the Philippine Licensees and one other company and additional provisional gaming licenses to two other companies in the Philippines for the development and operation of integrated casino resorts. PAGCOR has granted a provisional license to a fifth operator located near the Entertainment City in mid-2018. PAGCOR has also licensed private casino operators in special economic zones, including four in the Clark Ecozone, one in Poro Point, La Union, one in Binangonan, Rizal and one in the Newport City CyberTourism Zone, Pasay City. The Philippine License granted by PAGCOR to the Philippine Licensees is non-exclusive, and there is no assurance that PAGCOR will not issue additional gaming licenses, or that it will limit the number of licenses it issues. Any additional gaming licenses issued by PAGCOR could increase competition in the Philippine gaming industry, which could diminish the value of the Philippine Licensees' Philippine License. This could materially and adversely affect our business, financial condition and results of operations in the Philippines.

Any simultaneous planning, design, construction and development of any projects may stretch our management's time and resources, which could lead to delays, increased costs and other inefficiencies in the development of these projects.

There may be overlap in the planning, design, development and construction periods of our projects. Members of our senior management will be involved in planning and developing our projects at the same time, in addition to overseeing our day-to-day operations. Our management may be unable to devote sufficient time and attention to such projects, as well as our operating properties, which may result in delays in the construction or opening of any of our current or future projects, cause construction cost overruns or cause the performance of our operating properties to be lower than expected, which could have a material adverse effect on our business, financial condition and results of operations.

Our business depends substantially on the continuing efforts of our senior management, and our business may be severely disrupted if we lose their services.

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the Macau, the Philippine and the Cyprus markets possessed by members of our board of directors, our senior management team, as well as other management personnel. We may experience changes in our key management in the future, including for reasons beyond our control. The loss of Mr. Lawrence Ho's services or the services of the other members of our board of directors or key management personnel could hinder our ability to effectively manage our business and implement our growth and development strategies. Finding suitable replacements for members of our board of directors or key management personnel could be difficult, and competition for personnel of similar experience could be intense in Macau, the Philippines and Cyprus. In addition, we do not currently carry key person insurance on any members of our senior management team.

The success of our business depends on our ability to attract and retain an adequate number of qualified personnel. A limited labor supply, increased competition and any increase in demands from our employees could cause labor costs to increase.

The pool of experienced gaming and other skilled and unskilled personnel in Macau, the Philippines and Cyprus is limited. Our demand remains high for personnel occupying sensitive positions that require qualifications sufficient to meet gaming regulations and other requirements or skills and knowledge that would need substantial training and experience. Competitive demand for qualified gaming and other personnel is expected to be intensified by the increased number of properties recently opened and expected to open in close proximity to our properties in Macau, the Philippines and Cyprus. The limited supply and increased competition in the labor market could cause our labor costs to increase.

Macau government policy prohibits us from hiring non-Macau resident dealers and supervisors. In addition, the Macau government announced it will continue to monitor the proportion of management positions held by Macau residents and implement measures to ensure such proportion remains no less than 85% of senior and mid-management positions. Due to the increased competition in the labor market and the relevant regulatory restrictions, we cannot assure you that we will be able to attract and retain a sufficient number of qualified individuals to operate our properties, or that costs to recruit and retain such personnel will not increase significantly. In addition, we have previously been subject to certain labor demands in Macau. The inability to attract, retain and motivate qualified employees and management personnel could have a material adverse effect on our business.

Further, the Macau government is currently enforcing a labor policy pursuant to which the ratio of local to foreign workers that may be recruited is determined on a case-by-case basis and, in relation to construction works, must be at least 1:1 unless otherwise authorized by the Macau government. Such a policy could have a material adverse effect on our ability to complete works on our properties, such as the remaining development of the land on which Studio City is located. Moreover, if the Macau government enforces similar restrictive ratios in other areas, such as the gaming, hotel and entertainment sectors, or imposes additional restrictions on the hiring of foreign workers generally, including as a result of the COVID-19 outbreak, this could have a material adverse effect on the operation of our properties.

In the Philippines, the Philippine License requires that at least 95.0% of City of Dreams Manila's total employees be locally hired. Our inability to recruit a sufficient number of employees in the Philippines to meet this provision or to do so in a cost-effective manner may cause us to lower our hiring standards, which may have an adverse impact on City of Dreams Manila's service levels, reputation and business. In addition, in February 2019, Kilusan ng Manggagawang Makabayan (KMM-Katipunan) Melco Resorts Leisure (PHP) Corporation — Table Games Division — Chapter, or KMM-MELCO [TDG], was certified by the Philippines Department of Labor to represent the rank-and-file employees of the Table Games Division of City of Dreams Manila as the

former's sole and exclusive bargaining agent and a collective bargaining agreement was subsequently signed between City of Dreams Manila and the KMM-Katipunan in February 2020. More recently, KMM-Katipunan also sought to organize and represent the employees of the Security Division of City of Dreams Manila and filed a petition in February 2021 to request for an election by the relevant employees, and such request and the related process are being reviewed by, and remain subject to the approval of, the Philippines Department of Labor. Any demand or activities of such collective bargaining agent, or any additional collective bargaining agents that may be certified by the Philippines Department of Labor in the future, could have a material adverse effect on the business and operations of City of Dreams Manila or our financial condition and results of operations.

In Cyprus, there is also a risk that our employees may organize or become part of a collective bargaining agreement or trade union. There is also a shortage of experienced gaming and other skilled and unskilled personnel as Cyprus is a new gaming market and we also compete with other local hotels and resorts for non-gaming personnel in the hospitality sector. There is also a shortage of labor in the construction sector given the robust building activities in Cyprus and the difficulty in applying for work permits for non-EU citizens. As a result, our contractors may have to make up for any shortages in available labor from Greece or other European countries which may be challenging due to the COVID-19 related travel restrictions imposed by the government of Cyprus and could also increase our labor costs.

Moreover, casino resort employers may also contest the hiring of their former employees by us. There can be no assurance that any such claim will not be successful or other similar claims will not be brought against us or any of our affiliates in the future. In the event any such claim is found to be valid, we could suffer losses and face difficulties in recruiting from competing operators. If found to have basis by courts, these allegations could also result in possible civil liabilities on us or our relevant officers if such officers are shown to have deliberately and willfully condoned a patently unlawful act.

Our insurance coverage may not be adequate to cover all losses that we may suffer from our operations. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

We currently have various insurance policies providing certain coverage typically required by gaming and hospitality operations in Macau. In addition, we maintain various types of insurance policies for our Philippine and Cyprus business and operations, including mainly property damage, business interruption, general liability and crime insurance policies. In the Philippines, we also maintain a surety bond required by PAGCOR, which secures the prompt payment by Melco Resorts Leisure of the monthly licensee fees due to PAGCOR. These insurance policies provide coverage that is subject to policy terms, conditions and limits. There is no assurance that we will be able to renew such insurance coverage on equivalent premium costs, terms, conditions and limits upon their expiration. Certain events, such as typhoons and fires, may increase and have increased our premium costs. The cost of coverage may in the future become so high that we may be unable to obtain the insurance policies we deem necessary for the operation of our projects on commercially practicable terms, or at all, or we may need to reduce our policy limits or agree to certain exclusions from our coverage.

We cannot assure you that any such insurance policies we obtained or may obtain will be adequate to protect us from material losses. Certain acts and events, including any pandemic, epidemic of infectious diseases, earthquakes, hurricanes and floods, or terrorist acts, could expose us to significant uninsured losses that may be, or are, uninsurable or too expensive to justify obtaining insurance. As a result, we may not be successful in obtaining insurance without increases in cost or decreases in coverage levels. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or in some cases could result in certain losses being totally uninsured. In addition to the damages caused directly by a casualty loss (such as fire or natural disasters), infectious disease outbreaks or terrorist acts, we may suffer a disruption of our business as a result of these events or be subject to claims by third parties who may be injured or harmed. As an example, the COVID-19 outbreak has resulted in many governments around the world, including in the Philippines, Macau and Cyprus where we operate, placing

quarantines disallowing residents to travel into or outside of the quarantined area, enforcing business closures and other restrictions. While we intend to continue carrying business interruption insurance and general liability insurance, such insurance may not be available on commercially reasonable terms, or at all, and, in any event, may not be adequate to cover any losses that may result from such events.

There is limited available insurance in Macau, the Philippines and Cyprus and our insurers in Macau, the Philippines and Cyprus may need to secure reinsurance in order to provide adequate cover for our property and development projects. Our credit agreements, Melco Resorts Macau's subconcession contract with Wynn Macau relating to the gaming concession in Macau (the "Subconcession Contract"), the Philippine License granted by PAGCOR and certain other material agreements require a certain level of insurance to be maintained, which must be obtained in Macau and the Philippines, respectively, unless otherwise authorized by the respective counter-parties. Failure to maintain adequate coverage could be an event of default under our credit agreements, the Subconcession Contract or the Philippine License and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Gaming inherently involves elements of chance that are beyond our control, and as a result our revenues may be volatile and the winnings of our patrons could exceed our casino winnings at particular times during our operations.

The gaming industry is characterized by the element of chance. In addition to the element of chance, theoretical expected win rates are also affected by other factors, including players' skills and experience, the mix of games played, the financial resources of players, the spread of table limits, the volume and mix of bets placed by our players, the amount of time players spend on gambling and the number of our players. As a result, our actual win rates may differ greatly over short time periods, such as from quarter to quarter, and could cause our quarterly results to be volatile. Each of these factors, alone or in combination, have the potential to negatively impact our win rates, and our business, financial condition and results of operations could be materially and adversely affected.

Our revenues are mainly derived from the difference between our casino winnings and the winnings of our casino patrons. Since there is an inherent element of chance in the gaming industry, we do not have full control over our winnings or the winnings of our casino patrons. If the winnings of our patrons exceed our casino winnings, we may record a loss from our gaming operations, and our business, financial condition and results of operations could be materially and adversely affected.

Our gaming business is subject to the risk of cheating and counterfeiting.

All gaming activities at our table games are conducted exclusively with gaming chips which, like real currency, are subject to the risk of alteration and counterfeiting. We incorporate a variety of security and anti-counterfeit features to detect altered or counterfeit gaming chips. Despite such security features, unauthorized parties may try to copy our gaming chips and introduce, use and cash in altered or counterfeit gaming chips in our gaming areas. Any negative publicity arising from such incidents could also tarnish our reputation and may result in a decline in our business, financial condition and results of operation.

Gaming customers may attempt or commit fraud or cheat in order to increase their winnings, including in collusion with the casino's staff. Internal acts of cheating could also be conducted by staff through collusion with dealers, surveillance staff, floor managers or other gaming area staff. Our existing surveillance and security systems, designed to detect cheating at our casino operations, may not be able to detect all such cheating in time or at all, particularly if patrons collude with our employees. In addition, our gaming promoters or other persons could, without our knowledge, enter into betting arrangements directly with our casino patrons on the outcomes of our games of chance, thus depriving us of revenues.

Our operations are reviewed to detect and prevent cheating. Each game has a theoretical win rate and statistics are examined with these in mind. Cheating may give rise to negative publicity and such action may materially affect our business, financial condition, operations and cash flows.

An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations.

Our business could be, and in certain cases, such as the COVID-19 pandemic, has been materially and adversely affected by the outbreak of widespread health epidemics or pandemics, such as swine flu, avian influenza, severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), Zika, Ebola and the COVID-19 outbreak. The occurrence of such health epidemics or pandemics, prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations. Such events could significantly impact our industry and cause severe travel restrictions in China or elsewhere in the world as well as temporary or prolonged closures of the facilities we use for our operations and disruptions to public transportation, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Such events may also indirectly and materially adversely impact our operations by negatively impacting the outlook, growth or business sentiment in the global, regional or local economy. See also "— The COVID-19 pandemic has had, and will likely to continue to have, a material and adverse effect on our business, financial condition and results of operations".

Several countries, including Japan, South Korea and Vietnam, have registered cases of avian flu since the end of 2020. Fully effective avian flu vaccines have not been developed and there is evidence that the H5N1 virus is constantly evolving so we cannot assure you that an effective vaccine can be discovered or commercially manufactured in time to protect against the potential avian flu pandemic. In the first half of 2003, certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia, which seriously interrupted economic activities and caused the demand for goods and services to plummet in the affected regions.

In addition to the ongoing outbreak of COVID-19, there can be no assurance that an outbreak of swine flu, avian influenza, SARS, MERS, Zika, Ebola or other contagious disease or any measures taken by the governments of affected countries against such potential outbreaks will not seriously interrupt our gaming operations. The perception that an outbreak of any health epidemic or contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia. In addition, our operations could be disrupted if any of our facilities or employees or others involved in our operations were suspected of having COVID-19, swine flu, avian influenza, SARS, MERS, Zika or Ebola as this could require us to quarantine some or all of such employees or persons or disinfect the facilities used for our operations. Furthermore, any future outbreak may restrict economic activities in affected regions, which could result in reduced business volume and the temporary closure of our facilities or otherwise disrupt our business operations and adversely affect our results of operations. Our revenues and profitability could be materially reduced to the extent that a health epidemic or other outbreak harms the global or PRC economy in general.

Health and safety or food safety incidents at our properties may lead to reputational damage and financial exposures.

We provide goods and services to a significant number of customers on a daily basis at our properties in Macau, Manila and Cyprus. In particular, with attractions, entertainment and food and beverage offerings at our properties, there are risks of health and safety incidents or adverse food safety events. While we have a number of measures and controls in place aimed at managing such risks, we cannot guarantee that our insurance is adequate to cover all losses, which may result in us incurring additional costs or damages, and negatively impact our financial performance. Such incidents may also lead to reduced customer flow and reputational damage to our properties. See "— We are subject to risks relating to litigation, disputes and regulatory investigations which may adversely affect our profitability, financial condition and prospects."

Unfavorable fluctuations in the currency exchange rates of the H.K. dollar, U.S. dollar, or the Pataca, the Philippine peso or the Euro and other risks related to foreign exchange and currencies, including restrictions on conversions and/or repatriation of foreign currencies, could adversely affect our indebtedness, expenses, profitability and financial condition.

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollar. The majority of our current revenues are denominated in H.K. dollar, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau. Our current expenses are denominated predominantly in Pataca, H.K. dollar and the Philippine peso. In addition, we have revenues, assets, debt and expenses denominated in the Philippine peso and in the Euro relating to our businesses in the Philippines and Cyprus, respectively. We also have subsidiaries, branch offices and assets in various countries, including Taiwan, which are subject to foreign exchange fluctuations and local regulations that may impose, among others, limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. In addition, a significant portion of our indebtedness, including the Melco Resorts Finance Notes and Studio City Notes, and certain expenses, are or will be denominated in U.S. dollar, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollar.

The value of the H.K. dollar, the Pataca, the Philippine peso and the Euro against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be de-pegged, de-linked or otherwise modified and subject to fluctuations. Any significant fluctuations in exchange rates between the H.K. dollar, the Pataca, the Philippine peso or the Euro to the U.S. dollar may have a material adverse effect on our revenues and financial condition. For example, to the extent that we are required to convert U.S. dollar financings into H.K. dollar or Pataca for our operations, fluctuations in exchange rates between the H.K. dollar or Pataca against the U.S. dollar could have an adverse effect on the amounts we receive from the conversion.

While we maintain a certain amount of our operating funds in the same currencies in which we have obligations in order to reduce our exposure to currency fluctuations, we have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the years ended December 31, 2020 and 2019. In addition, we may face regulatory, legal and other risks in connection with our assets and operations in certain jurisdictions that may impose limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. We will consider our overall procedure for managing our foreign exchange risk from time to time, but we cannot assure you that any such procedures will enable us to obtain and achieve effective hedging of our foreign exchange risk, which could materially and adversely affect our financial condition and operating results.

Furthermore, China has tightened currency exchange controls and restrictions on the export and conversion of the Renminbi in recent years. Restrictions on the export of the Renminbi, as well as the increased effectiveness of such restrictions, may impede the flow of gaming patrons from mainland China to Macau, the Philippines or outside of Asia, inhibit the growth of gaming in those markets and negatively impact our gaming operations.

We may undertake mergers, acquisitions, strategic transactions or investments that are not realized or result in operating difficulties, distractions from our current businesses or a material and adverse effect on our business and financial condition and subject us to regulatory and legal inquiries and proceedings or investigations.

We have made, and may in the future make, acquisitions, investments, divestments or strategic transactions in companies or projects to expand or complement our existing operations. From time to time, we

engage in discussions and negotiations with companies regarding acquisitions, investments, divestments or other strategic transactions, which may be material or significant, in such companies or projects. For example, the discussions and negotiations between us and Melco International led to our acquisition of 75% ownership interest in ICR Cyprus from Melco International, through which we expanded our operations to Cyprus. With this acquisition, our business has been expanded to the European region and includes the development of the City of Dreams Mediterranean, a new integrated casino resort project in Cyprus. Our expanded operations and developments in Cyprus require significant resources and investments and we may in the future make other acquisitions, investments or strategic transactions that require significant capital commitments and resources.

Any integration process that would follow any of our acquisitions, investments or strategic transactions, including our acquisition of 75% equity interest in ICR Cyprus, may prove more difficult than anticipated. We may be subject to liabilities or claims that we are not aware of at the time of the investment or acquisition, and we may not realize the benefits anticipated at the time of the investment or acquisition. Any benefits anticipated at the time of the investment or acquisition may also not be realized, or may be impacted, due to factors beyond our control. For example, in February 2020, we announced our decision to not pursue the acquisition of an additional 9.99% ownership interest in Crown Resorts due to the impact of the COVID-19 outbreak, and in April 2020, we announced the sale of our 9.99% equity interest in Crown Resorts to a third party and ceased to be a shareholder of Crown Resorts following such sale. These difficulties could disrupt our ongoing business, distract our management and employees, increase our expenses and liabilities, result in losses, including in material amounts, and adversely affect our businesses, financial condition and operating results. Even if we do identify suitable opportunities, we may not be able to make such acquisitions or investments on commercially acceptable terms or adequate financing may not be available on commercially acceptable terms, if at all, and we may not be able to consummate a proposed acquisition or investment.

We may also, from time to time, receive inquiries from regulatory and legal authorities and become subject to regulatory and legal proceedings or investigations in connection with our acquisitions, investments, divestments or strategic transactions in companies or projects, which may delay or materially impact the completion of such acquisitions, investments, divestments or strategic transactions. For example, in connection with the definitive purchase agreement we entered into with CPH Crown Holdings Pty Limited in May 2019 to acquire a total of an approximately 19.99% ownership interest in Crown Resorts for the total purchase price of AUD1,759.6 million (equivalent to approximately US$1,356.5 million) and pursuant to which we acquired an approximately 9.99% ownership interest in Crown Resorts on June 6, 2019 and were to acquire an additional 9.99% ownership interest in Crown Resorts by September 30, 2019, as a result of the relevant Australian regulatory process, we and CPH Crown Holdings Pty Limited agreed to defer our acquisition of the additional 9.99% ownership interest in Crown Resorts. Any such regulatory and legal proceedings or investigations may materially and adversely affect our business, operations, financial condition and prospects.

We face risks relating to any expansion of our operations and entry into new markets through mergers, acquisitions, strategic transactions or investments.

We have expanded our operations and entered into new markets in the past through acquisitions and strategic transactions. See also "— We may undertake mergers, acquisitions, strategic transactions or investments that are not realized or result in operating difficulties, distractions from our current businesses or a material and adverse effect on our business and financial condition and subject us to regulatory and legal inquiries and proceedings or investigations."

We may continue to evaluate and consider a wide array of potential strategic transactions as part of our overall business strategy. Any future expansion of our operations or our entry into new markets through mergers, acquisitions, strategic transactions or investments may subject us to:

- additional costs for complying with local laws, rules, regulations and policies as well as other local practices and customs in new markets, including establishing business and regulatory compliance programs;

- currency exchange rate fluctuations or currency restructurings;
- limitations or penalties on the repatriation of earnings;
- unforeseen changes in regulatory requirements;
- uncertainties as to local laws and enforcement of contract and intellectual property rights; and
- changes in government, economic and political policies and conditions, political or civil unrest, acts of terrorism or the threat of international boycotts.

These factors and the impact of these factors on our business and operations are difficult to predict and may have material adverse effect on our business and prospects, financial condition and results of operations.

We are subject to risks relating to litigation, disputes and regulatory investigations which may adversely affect our profitability, financial condition and prospects.

We are, and may in the future be, subject to legal actions, disputes and regulatory investigations in the ordinary course of our business. We are also subject to risks relating to legal and regulatory proceedings and investigations which we or our affiliates are or may be a party to from time to time, or which could develop in the future, as well as fines or other penalties which may be imposed on us in connection with any requisite permit, license or other approval for our business and operations. Litigation and regulatory proceedings can be costly and time-consuming and may divert management attention and resources from our operations. We could incur significant defense costs and, in the event of an adverse outcome, be required to pay damages and interest to the prevailing party and, depending on the jurisdiction of the litigation, be held responsible for the costs of the prevailing party. Our reputation may also be adversely affected by our involvement or the involvement of our affiliates in litigation and regulatory proceedings. In addition, we and our affiliates operate or have interests in a number of jurisdictions in which regulatory and government authorities have wide discretion to take procedural actions in support of their investigations and regulatory proceedings, including seizures and freezing of assets and other properties that are perceived to be connected or related to such investigations or regulatory proceedings. Given such wide discretion, regulatory or government authorities may take procedural or other actions that may affect our assets and properties in connection with any investigation or legal or regulatory proceeding involving us, any of our affiliates, or third parties, which may materially affect our business, financial condition or results of operations.

In addition, claims and proceedings against us, including but not limited to any claims alleging that we received, misappropriated or misapplied funds, or violated any anti-corruption law or regulation, may result in our business operations being subject to greater scrutiny from relevant regulatory authorities and requiring us to make further improvements to our existing systems and controls and business operations, all of which may increase our compliance costs. No assurance can be provided that any provisions we have made for such matters will be sufficient. Litigation and regulatory proceedings and investigation are inherently unpredictable and our results of operations or cash flows may be adversely affected by an unfavorable resolution of any pending or future litigation, disputes and regulatory investigation.

We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.

We conduct, and expect to continue to conduct, our gaming activities at our casinos on a credit basis as well as a cash basis. Consistent with customary practice in both the Macau and the Philippines gaming markets, we grant credit to our gaming promoters and certain premium direct players. Gaming promoters bear the responsibility for issuing credit and subsequently collecting the credit they granted. We extend credit, often on an unsecured basis, to certain gaming promoters and VIP patrons whose level of play and financial resources warrant such an extension in our opinion. High-end patrons typically are extended more credit than patrons who wager lower amounts. Any slowdown in the economy could adversely impact our VIP patrons, which could in

turn increase the risk that these clients may default on credit extended to them. In Cyprus, a new gaming market, we also grant credit to a small number of selected premium direct players.

We may not be able to collect all of our gaming receivables from our credit customers. We expect that we will be able to enforce our gaming receivables only in a limited number of jurisdictions, including Macau, the Philippines, Cyprus and under certain circumstances, Hong Kong. As most of our customers in Macau are visitors from other jurisdictions, we may not have access to a forum in which we will be able to collect all of our gaming receivables because, among other reasons, courts in many jurisdictions do not enforce gaming debts. Further, we may be unable to locate assets in other jurisdictions against which recovery of gaming debts can be sought. The collectability of receivables from our credit customers, and, in particular, our international credit customers, could be negatively affected by future business or economic trends or by significant events in the jurisdictions in which these customers reside, or in which their assets are located. As a result of the COVID-19 pandemic, we have increased our estimated allowance for credit losses. We may also have to determine whether aggressive enforcement actions against a customer will unduly alienate the customer and cause the customer to cease playing at our casinos. We could suffer a material adverse impact on our operating results if receivables from our credit customers are deemed uncollectible. In addition, in the event a credit customer suffers losses in connection with any gaming activities at our properties and receivables from such customer are uncollectible, Macau gaming taxes, Philippines license fees or Cyprus gaming taxes (as the case may be) will still be payable on the resulting gaming revenues, notwithstanding any receivables owed by such customer to us may be uncollectible. An estimated allowance for credit losses is maintained to reduce our receivables to their carrying amounts, which approximate fair values.

Our business and financial plans may be negatively impacted by any contraction in the availability of credit.

Our business and financing plans may be dependent upon the completion of future financings. Any severe contraction of liquidity in the global credit markets may make it difficult and costly to obtain new lines of credit or to refinance existing debt, and may place broad limitations on the availability of credit from credit sources as well as lengthen the recovery cycle of extended credit. Any deterioration in the credit environment may cause us to have difficulty in obtaining additional financing on acceptable terms, or at all, which could adversely affect our ability to complete current and future projects. Tightening of liquidity conditions in credit markets may also constrain revenue generation and growth and could have a material adverse effect on our business, financial condition and results of operations.

Rolling chip patrons and VIP gaming customers may cause significant volatility in our revenues and cash flows.

A significant proportion of our casino revenues in Macau is generated from the rolling chip segment of the gaming market. Similarly, City of Dreams Manila also attracts foreign gaming visitors, particularly VIP players who typically place large individual wagers. In Cyprus, we also attract a number of VIP players. The loss or a reduction in the play of the most significant of these rolling chip patrons or VIP gaming customers could have an adverse effect on our business. In addition, revenues and cash flows derived from high-end gaming of this type are typically more volatile than those from other forms of gaming primarily due to high bets and the resulting high winnings and losses. As a result, our business, results of operations and cash flows from operations may be more volatile from quarter to quarter than that of our competitors and consequently may require higher levels of cage cash in reserve to manage this volatility.

We depend upon gaming promoters for a portion of our gaming revenues. If we are unable to establish, maintain and increase the number of successful relationships with gaming promoters or if the financial resources of our gaming promoters are insufficient to allow them to continue doing business in Macau and/or Manila or if our gaming promoters are otherwise restricted from doing business due to, for example, the recent amendments to China's criminal laws, our results of operations could be materially and adversely impacted.

Customers introduced to us by gaming promoters are responsible for a significant portion of our gaming revenues in Macau and Manila. For our operations in Cyprus, where there are currently two licensed gaming promoters approved in 2020, other gaming promoters have also submitted licensing applications to the CGC which remain subject to CGC's approval. For the year ended December 31, 2020, approximately 15.6% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters. With the rise in casino operations in Macau, Manila and Europe, the competition for relationships with gaming promoters has increased and is expected to continue to increase. If we are unable to utilize, maintain and/or develop relationships with gaming promoters and, in the case of Cyprus, if the number of licensed gaming promoters do not significantly increase in the future, our ability to grow our gaming revenues will be hampered and we will have to seek alternative ways to develop and maintain relationships with rolling chip patrons, which may not be as profitable as relationships developed through gaming promoters. As competition intensifies, we may therefore need to offer better terms to gaming promoters, including extensions of credit, which may increase our overall credit exposure.

In addition, gaming promoters may encounter difficulties in attracting patrons to come to Macau, Manila or Cyprus. Measures adopted by the PRC and/or the Macau, Manila or Cyprus governments could adversely impact the operations of our gaming promoters in Macau, Manila or Cyprus. For example, gaming promoters may experience decreased liquidity, limiting their ability to grant credit to their patrons, resulting in decreased gaming volume in Macau, Manila or Cyprus. Credit already extended by our gaming promoters may become increasingly difficult to collect. Also, in the event the Macau government reduces the cap on the commission rates payable to gaming promoters, gaming promoters' incentives to bring travelers to casinos in Macau would be further diminished, and certain of the gaming promoters may be forced to cease operations or divert the travelers to other regions. This inability to attract sufficient patrons, settle accounts with patrons, grant credit and collect amounts due in a timely manner may negatively affect our gaming promoters' operations, causing them to wind up or liquidate their operations, and as a result, our ability to maintain or grow casino revenues and our ability to recover credit extended may be adversely affected. The inability of gaming promoters to settle accounts with their patrons may expose such gaming promoters to litigation proceedings initiated by affected patrons, which may also expose us to additional litigation risk.

In addition, recent amendments to China's criminal laws, such that anyone that organizes trips for Chinese citizens for the purpose of gambling outside of mainland China, including Macau, may be deemed to have conducted a criminal act, came into effect on March 1, 2021. It is currently unclear whether and to what extent this amendment will adversely impact the operations of our gaming promoters in the future. See also "— Policies, campaigns and measures adopted by the PRC and/or Macau governments from time to time could materially and adversely affect our operations".

We are impacted by the reputation and integrity of the parties with whom we engage in business activities, including gaming promoters and we cannot assure you that these parties will always maintain high standards or suitability throughout the term of our association with them. Failure to maintain such high standards or suitability may cause us and our shareholders to suffer harm to our own and our shareholders' reputation, as well as impair relationships with, and possibly result in sanctions from, gaming regulators.

The reputation and integrity of the parties with whom we engage in business activities are important to our own reputation and our ability to continue to operate in compliance with the permits and licenses required for our businesses. These parties include, but are not limited to, those who are engaged in gaming-related activities,

such as gaming promoters, developers and hotel, restaurant and night club operators with whom we have or may enter into services or other types of agreements. Under the Macau Gaming Law, Melco Resorts Macau has an obligation to supervise its gaming promoters to ensure compliance with applicable laws and regulations and serious breaches or repeated misconduct by its gaming promoters could result in the termination of its subconcession. For parties we deal with in gaming-related activities, where relevant, the gaming regulators also undertake their own probity checks and will reach their own suitability findings in respect of the activities and parties with which we intend to associate. In addition, we also conduct our internal due diligence and evaluation process prior to engaging such parties. Notwithstanding such regulatory probity checks and our own due diligence, we cannot assure you that the parties with whom we are associated will always maintain the high standards that gaming regulators and we require or that such parties will maintain their suitability throughout the term of our association with them. In addition, if any of our gaming promoters violate gaming laws while on our premises, the government may, in its discretion, take enforcement action against the gaming promoters and may find us jointly liable for such gaming promoter's violations. Also, if a party associated with us falls below the gaming regulator's suitability standard or if their probity is in doubt, this may be negatively perceived when assessed by the gaming regulators. As a result, we and our shareholders may suffer reputational harm, as well as impaired relationships with, and possibly sanctions or other measures or actions from, the relevant gaming regulators with authority over our operations.

Any failure or alleged failure to comply with anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA"), could result in penalties, which could harm our reputation and have an adverse effect on our business, results of operations and financial condition.

We and our businesses in different jurisdictions are subject to a number of anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, or FCPA. The FCPA prohibits companies and any individuals or entities acting on their behalf from offering or making improper payments or providing things of value to foreign officials for the purpose of obtaining or keeping business. The FCPA also requires companies to maintain accurate books and records and to devise and maintain a system of internal accounting controls. Breach of these anti-corruption laws carries severe criminal and civil sanctions as well as other penalties and reputational harm. There has been a general increase in FCPA enforcement activities in recent years by the SEC and the U.S. Department of Justice. Both the number of FCPA cases and sanctions imposed have risen significantly.

While we have adopted and implemented an anti-corruption compliance program covering both commercial bribery and public corruption which includes internal policies, procedures and training aimed to prevent and detect anti-corruption compliance issues and risks, and procedures to take remedial action when compliance issues are identified, there is no assurance that our employees, consultants, contractors and agents, and those of our affiliates, will adhere to the anti-corruption compliance program, or that any action taken to comply with, or address compliance issues, will be considered adequate by the regulatory bodies with jurisdiction over us and our affiliates. Any violation of our compliance program or applicable law by us or our affiliates could subject us or our affiliates to investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions, any of which may result in a material adverse effect on our reputation, cause us to lose customer relationships or gaming licenses, or lead to other adverse consequences on our business, prospects, financial condition and results of operations. As we are a U.S. listed company, certain U.S. laws and regulations apply to our operations and compliance with those laws and regulations increases our cost of doing business. We also deal in significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws or regulations by us could have a negative effect on our results of operations.

A failure to establish and protect our intellectual property rights could have an adverse effect on our business, financial condition and results of operations.

We have registered and have the right to use the trademarks, including "Altira," "Mocha Club," "City of Dreams," "Nüwa," "The Countdown," "Morpheus," "City of Dreams Manila," "Studio City," "Melco Resorts

Philippines," "C2" and "Melco Resorts & Entertainment" in Macau, the Philippines, Cyprus and/or other jurisdictions. We have also registered in Macau, the Philippines, Cyprus and other jurisdictions certain other trademarks and service marks used in connection with the operations of our hotel casino projects in Macau, City of Dreams Manila and Cyprus. We endeavor to establish and protect our intellectual property rights through trademarks, service marks, domain names, licenses and other contractual provisions. The brands we use in connection with our properties have gained recognition. Failure to possess, obtain or maintain adequate protection of our intellectual property rights could negatively impact our brands and have a material adverse effect on our business, financial condition and results of operations. For example, third parties may misappropriate or infringe our intellectual property, which may include but not be limited to the use of our intellectual property by offshore gaming websites, including those that may attempt to defraud members of the public. While we may take legal or other appropriate actions against these unauthorized offshore websites, such as by reporting the sites to the appropriate governmental or regulatory authorities, such actions may not be effective or significant expenses could be incurred and such unauthorized activities may draw businesses away from our operations and/or tarnish our reputation, all of which may adversely affect our business, financial condition and results of operations.

The infringement or alleged infringement of intellectual property rights belonging to third parties could adversely affect our business.

We face the potential risk of claims that we have infringed upon the intellectual property rights of third parties, which could be expensive and time-consuming to defend. In addition, we may be required to cease using certain intellectual property rights or selling or providing certain products or services, pay significant damages or enter into costly royalty or licensing agreements in order to obtain the right to use a third party's intellectual property rights (if available at all), any of which could have a negative impact on our business, financial condition and future prospects. Furthermore, if litigation were to result from such claims, our business could be interrupted.

We cannot assure you that anti-money laundering policies that we have implemented, and compliance with applicable anti-money laundering laws, will be effective to prevent our casino operations from being exploited for money laundering purposes.

The free ports, offshore financial services and free movement of capital have created an environment whereby casinos in Macau or Cyprus could be exploited for money laundering purposes. We also deal with significant amounts of cash in our regular casino operations in Macau, the Philippines and Cyprus. As our Macau, Philippine and Cyprus operations are subject to various reporting and anti-money laundering regulations and increased audits and inspections from regulators, we have implemented anti-money laundering policies to address those requirements. Philippine laws on anti-money laundering have been amended to include casinos as covered institutions and the Anti-Money Laundering Council and PAGCOR have also recently released corresponding regulations and guidelines on compliance. While we have adjusted our anti-money laundering policies for our Philippine operations to these new rules and regulations, as these laws, regulations and guidelines have only recently been enacted, their implementation or application, as well as any further changes to anti-money laundering laws and regulations in Macau, the Philippines and/or Cyprus may require us to adopt changes to our own anti-money laundering policies.

We cannot assure you that our contractors, agents or employees will continually adhere to any such current or future policies or these policies will be effective in preventing our casino operations from being exploited for money laundering purposes, including from jurisdictions outside of Macau, the Philippines or Cyprus.

There can be no assurance that, despite the anti-money laundering measures we have adopted and undertaken, we would not be subject to any accusation or investigation related to any possible money laundering activities. In addition, we expect to be required by relevant regulatory authorities from Macau, the Philippines,

Cyprus and other jurisdictions that regulate our business activities to attend meetings and interviews from time to time to discuss our operations as they relate to anti-money laundering laws and regulations during which regulatory authorities may make inquiries and take other actions at their discretion. Any incident of money laundering, accusation of money laundering or regulatory investigations into possible money laundering activities involving us, our employees, our gaming promoters, our customers or others with whom we are associated could have a material adverse impact on our reputation, business, cash flow, financial condition, prospects and results of operations. Any serious incident of, or repeated violation of, laws related to money laundering or any regulatory investigation into money laundering activities may cause a revocation or suspension of the subconcession, of the Philippine License or the Cyprus License. For more information regarding anti-money laundering regulations in Macau, the Philippines and Cyprus, see "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Anti-Money Laundering and Terrorism Financing Regulations", "Item 4. Information on the Company — B. Business Overview — Regulations — Philippines Regulations — Anti-Money Laundering Regulations in the Philippines." and "Item 4. Information on the Company — B. Business Overview — Regulations — Cyprus Regulations — Anti-Money Laundering Law and Regulations."

Our information technology and other systems are subject to cyber security risks, including misappropriation of customer information, other breaches of information security or other cybercrimes, as well as regulatory and other risks.

We rely on information technology and other systems (including those maintained by third-parties with whom we contract to provide data services) to maintain and transmit large volumes of customer information, credit card settlements, credit card funds transmissions, mailing lists and reservations information and other personally identifiable information. We also maintain important internal company data such as personally identifiable information about our employees and information relating to our operations. The systems and processes we have implemented to protect customers, employees and company information are subject to the rapidly changing risks of compromised security and may therefore become outdated. Despite our preventive efforts, we are subject to the risks of compromised security, including cyber and physical security breaches, system failure, computer viruses, technical malfunction, inadequate system capacity, power outages, natural disasters and inadvertent, negligent or intentional misuse, disclosure or dissemination of information or data by customers, company employees or employees of third-party vendors, ransomware attacks that encrypt, exfiltrate or otherwise render data unusable or unavailable or other forms of cybercrimes that includes fraud or extortion. These risks can also be manifested in a variety of other ways, including through methods which may not yet be known to the cyber security community, and have become increasingly difficult to anticipate and prevent.

The steps we take to deter and mitigate these risks may not be successful and our insurance coverage for protecting against cyber security risks may not be sufficient. Our third-party information system service providers face risks relating to cyber security similar to ours, and we do not directly control any of such service providers' information security operations. A significant theft, loss or fraudulent use of customer or company data maintained by us or by a third-party service provider could have an adverse effect on our reputation, cause a material disruption to our operations and management team, and result in remediation expenses, regulatory penalties and litigation by customers and other parties whose information was subject to such attacks, all of which could have a material adverse effect on our business, prospects, results of operations and cash flows. If our information technology systems become damaged or otherwise cease to function properly, our services and results of operations may be adversely affected and we may have to make significant investments to repair or replace them. Furthermore, any extended downtime from power supply disruptions or information technology system outages which may be caused by cyber security attacks or other reasons at our properties may lead to an adverse impact on our operating results if we are unable to deliver services to customers for an extended period of time.

Despite the security measures we currently have in place, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, acts of vandalism, phishing attacks,

computer viruses, misplaced or lost data, programming or human errors, other cybercrimes and other events. Cyber-attacks are becoming increasingly more difficult to anticipate and prevent due to their rapidly evolving nature and, as a result, the technology we use to protect our systems could become outdated. The occurrence of any of the cyber incidents described above could have a material adverse effect on our business, results of operations and cash flows.

Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, whether by us or by a third party, could disrupt our business, damage our reputation and relationships with our customers, suppliers and employees, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers', suppliers' and employees' confidence in us, and adversely affect our business, results of operations and financial condition. Any perceived or actual unauthorized disclosure of personally identifiable information of our employees, customers, suppliers or website visitors could harm our reputation and credibility and reduce our ability to attract and retain employees, suppliers and customers. We are also subject to enactment of new laws, or amendments to existing laws with more stringent requirements, in relation to cybersecurity. For example, a new Cybersecurity Law was introduced in Macau in 2019 which also applies to our businesses in Macau. See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Cybersecurity Regulations". As any of the above cybersecurity threats develop and grow and our obligations under cybersecurity regulations increase, we may find it necessary to make significant further investments to protect our data and infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection-related technologies, engagement of third-party consultants, and training of personnel.

Failure to protect the integrity and security of company employee**, supplier **and customer information and comply with applicable privacy regulations may result in damage to reputation and/or subject us to fines, penalties, lawsuits, restrictions on our use or transfer of data and other risks.

Our businesses collect, use and transmit large volumes of data, including credit card numbers and personal data in various information systems relating to our customers, suppliers and employees, and such personal data may be collected and/or used in, and transmitted to or from, multiple jurisdictions. Our customers, suppliers and employees have a high expectation that we will adequately protect their personal information. Such collection, use and/or transmission of personal data are governed by privacy laws and regulations and such laws and regulations change often, vary significantly by jurisdiction and often are newly enacted. For example, the European Union (EU)'s General Data Protection Regulation ("GDPR"), which became effective in May 2018, requires companies to meet new and more stringent requirements regarding the handling of personal data. Established within the EU, our operations in Cyprus are subject to the GDPR requirements. In order to comply with the GDPR requirements, we have developed and implemented policies and procedures which regulate our activities and aim to protect personal data that is collected, processed and maintained by business units for our operations in Cyprus. We have also appointed a data protection officer in Cyprus and adopted a number of physical and technical safeguards to comply with the GDPR requirements applicable to our operations in Cyprus. The GDPR may also capture data processing by non-EU firms with no EU establishment if, for example, they conduct direct marketing that specifically targets individuals in the EU. As GDPR is a newly enacted law, there is limited precedence on the interpretation and application of GDPR. In addition, the Chinese government published a draft personal information protection law in October 2020 and if enacted, may impose further obligations on organizations handling personal information of Chinese citizens. Furthermore, we must also comply with other industry standards such as those for the credit card industry and other applicable data security standards.

Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our customers and guests. For example, these laws and regulations may restrict information sharing in ways that make it more difficult to obtain or share information concerning at risk individuals. In addition, non-compliance with applicable privacy regulations by us

(or in some circumstances non-compliance by third parties engaged by us) may result in damage of reputation and/or subject us to fines, penalties, payment of damages, lawsuits, criminal liability or restrictions on our use or transfer of data. Failure to meet the GDPR requirements, for example, may result in penalties of up to four percent of worldwide revenue.

Negative press or publicity about us or our directors, officers or affiliates may lead to government investigations, result in harm to our business, brand or reputation and have a material and adverse effect on our business.

Unfavorable publicity regarding us, or our directors, officers or affiliates, whether substantiated or not, may have a material and adverse effect on our business, brand and reputation. Such negative publicity may require us to engage in a defensive media campaign, which may divert our management's attention, result in an increase in our expenses and adversely impact our results of operations, financial condition, prospects and strategies. The continued expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated. Any negative press or publicity could also lead to government or other regulatory investigations, including causing regulators with jurisdiction over our gaming operations in Macau, the Philippines and Cyprus to take action against us or our related licensees, including actions that could affect the ability or terms upon which our subsidiaries hold their gaming licenses and/or subconcession, our suitability to continue as a shareholder of those subsidiaries and/or the suitability of key personnel to remain with us. If any of these events were to occur, it would cause a material adverse effect on our business and prospects, financial condition and results of operations.

Our new branded products may not be successful.

In 2018, we launched our new property at City of Dreams under the Morpheus brand. We have also recently launched the Nüwa brand in both Macau and the Philippines and the C2 brand in Cyprus and intend to rebrand The Countdown. We may continue introducing new brand names and brand identities in the future, such as City of Dreams Mediterranean in Cyprus, which may be time-consuming and expensive, or may not have the intended effect, any of which could have a material adverse effect on our business, results of operations and financial condition.

Our audit report included in this annual report has been prepared by auditors who are not inspected by the PCAOB. As such, you are deprived of the benefits of a PCAOB inspection. In addition, various legislative and regulatory developments related to U.S.-listed China-based companies due to a lack of PCAOB inspection and other developments may have a material adverse impact on our listing and trading in the U.S. and the trading prices of our ADSs. We could be delisted from Nasdaq if the PCAOB continues to be unable to inspect our independent registered public accounting firm for three consecutive years.

Our independent registered public accounting firm that issues the audit reports included in our annual reports filed with the SEC as an auditor of companies that are traded publicly in the United States and firms registered with the Public Company Accounting Oversight Board (United States), or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards.

Our auditor is located in Hong Kong, a special administrative region of China, a jurisdiction where the PCAOB is currently unable to conduct full inspections without the approval of the Chinese authorities. As a result, we understand that our auditor is not currently inspected by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside mainland China have identified deficiencies in those firms' audit procedures and quality control procedures, which can be addressed as part of the inspection process to improve future audit quality. The lack of PCAOB inspections in mainland China and Hong Kong prevents the PCAOB from regularly evaluating our auditors' audit procedures and quality control

procedures as they relate to their work, and/or their affiliated independent registered public accounting firms' work, in mainland China and Hong Kong. As a result, we and investors are deprived of the benefits of such regular inspections.

The inability of the PCAOB to conduct full inspections of auditors in mainland China and Hong Kong makes it more difficult to evaluate the effectiveness of our auditors' audit procedures and quality control procedures as compared to auditors who primarily work in jurisdictions where the PCAOB has full inspection access. In addition, the SEC may initiate proceedings against our independent registered public accounting firm, whether in connection with an audit of our company or other China-based companies, which could result in the imposition of penalties against our independent registered public accounting firm, such as suspension of its ability to practice before the SEC. All of these could cause our investors and potential investors in our ADSs to lose confidence in our audit procedures, reported financial information and the quality of our financial statements.

In May 2013, the PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the China Securities Regulatory Commission, or the CSRC, and the PRC Ministry of Finance, which established a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations undertaken by the PCAOB, the CSRC or the PRC Ministry of Finance in the United States and the PRC. The PCAOB continued to discuss with the CSRC and the PRC Ministry of Finance on joint inspections in the PRC of PCAOB-registered audit firms that provide auditing services to Chinese companies that trade on U.S. stock exchanges. In December 2018, the SEC and the PCAOB issued a joint statement on regulatory access to audit and other information internationally that cites the ongoing challenges faced by them in overseeing the financial reporting of companies listed in the United States with operations in China, the absence of satisfactory progress in discussions on these issues with Chinese authorities and the potential for remedial action if significant information barriers persist. In April 2020, the SEC and the PCAOB issued another joint statement reiterating the greater risks of insufficient disclosures from companies in many emerging markets, including China, compared to those from U.S. domestic companies. In discussing the specific issues related to these risks, the statement again highlighted the PCAOB's inability to inspect audit work and practices of accounting firms in China with respect to U.S. reporting companies. In June 2020, the U.S. President at that time issued a memorandum ordering the President's Working Group on Financial Markets, or the PWG, to submit a report to him within 60 days of the memorandum that includes recommendations for actions that can be taken by the executive branch and by the SEC or the PCAOB on Chinese companies listed on U.S. stock exchanges and their audit firms. In August 2020, the PWG released the report. In particular, with respect to jurisdictions that do not grant the PCAOB sufficient access to fulfill its statutory mandate, or NCJs, the PWG recommended that enhanced listing standards be applied to companies from NCJs for seeking initial listing and remaining listed on U.S. stock exchanges. Under the enhanced listing standards, if the PCAOB does not have access to work papers of the principal audit firm located in a NCJ for the audit of a U.S.-listed company as a result of governmental restrictions, the U.S.-listed company may satisfy this standard by providing a co-audit from an audit firm with comparable resources and experience where the PCAOB determines that it has sufficient access to the firm's audit work papers and practices to inspect the co-audit. There is currently no legal framework under which such a co-audit may be conducted for China-based companies. The report recommended a transition period until January 1, 2022 before the new listing standards apply to companies already listed on U.S. stock exchanges. Under the PWG recommendations, if we fail to meet the enhanced listing standards before January 1, 2022, we could face de-listing from Nasdaq, deregistration from the SEC and/or other risks, which may materially and adversely affect, or effectively terminate, our ADS trading in the United States. There were recent media reports about the SEC's proposed rulemaking in this regard. It is uncertain whether the PWG recommendations will be adopted, in whole or in part, and the impact of any new rule on us cannot be estimated at this time.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, in June 2019, a bipartisan group of lawmakers introduced bills in both houses of Congress that would require the SEC to maintain a list of issuers for which the

PCAOB is not able to inspect or investigate an auditor report issued by a foreign public accounting firm. In June 2019, the Senate introduced the Ensuring Quality Information and Transparency for Abroad-Based Listings on our Exchanges (EQUITABLE) Act, which prescribes increased disclosure requirements for such issuers and, beginning in 2025, the delisting from national securities exchanges such as Nasdaq of issuers included for three consecutive years on the SEC's list. On December 18, 2020, the Holding Foreign Companies Accountable Act, or the Act, was enacted. In essence, the Act requires the SEC to prohibit foreign companies from listing securities on U.S. securities exchanges if a company retains a foreign accounting firm that cannot be inspected by the PCAOB for three consecutive years, beginning in 2021. The SEC is currently in the process of implementing the requirements of the Act. The enactment of the Act and any additional rulemaking efforts to increase U.S. regulatory access to audit information in China could cause investor uncertainty for affected SEC registrants, including us, the market price of our ADSs could be materially adversely affected, and we could be delisted if we are unable to meet the PCAOB inspection requirement in time.

Our audit and risk committee is aware of the Act and regularly communicates with our independent auditor to monitor developments in the rulemaking.

Economic or trade sanctions and a heightened trend towards trade and technology "de-coupling" could negatively affect the relationships and collaborations with our suppliers, service providers, technology partners and other business partners, which could materially and adversely affect our competitiveness and business operations.

The United Nations and a number of countries and jurisdictions, including China, the United States and the EU, have adopted various economic or trade sanction regimes. In particular, economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of China-based technology companies, including ZTE Corporation, Huawei Technologies Co., Ltd., or Huawei, Tencent Holdings Limited, certain of their respective affiliates, and other China-based technology companies. These Chinese technology conglomerates manufacture and/or develop telecommunications and other equipment, software, mobile Apps and devices that are popular and widely used globally, including by us and by our customers, especially those in mainland China. Actions have been brought against ZTE Corporation and Huawei and related persons by the U.S. government. The United States has also in certain circumstances threatened to impose further sanctions, trade embargoes, and other heightened regulatory requirements on China and China-based companies.

These restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, though may not be directly applicable to us, may materially and adversely affect our suppliers, service providers, technology partners or other business partners' abilities to acquire technologies, systems, devices or components that may be critical to our relationships or collaborations with them. In addition, if any of our suppliers, service providers, technology partners or other business partners that have collaborative relationships with us or our affiliates were to become subject to sanctions or other restrictions, this might restrict or negatively impact our ongoing relationships or collaborations with them, which could materially and adversely affect our competitiveness and business operations. Media reports on alleged uses of the technologies, systems or innovations developed by business partners or other parties not affiliated with or controlled by us, even on matters not involving us, could nevertheless damage our reputation and lead to regulatory investigations, fines and penalties against us.

Risks Relating to Operating in the Gaming Industry in Macau

Melco Resorts Macau's Subconcession Contract expires in June 2022 and if we were unable to secure a new concession or subconcession or an extension of the subconcession, in 2022, or if the Macau government were to exercise its redemption right, we would be unable to operate casino gaming in Macau.

The Subconcession Contract expires on June 26, 2022. Unless a new concession or subconcession is granted or the subconcession is extended, our operations will cease on such expiration date and, in accordance

with current legislation on reversion of casino premises, all of our casino premises and gaming-related equipment under Melco Resorts Macau's subconcession will automatically revert to the Macau government without compensation and we will cease to generate revenues from such operations. In addition, the COVID-19 pandemic has affected and may continue to affect the Macau government's process in relation to the grant of new concessions and may hinder the process related to an extension of the current concessions and subconcessions. We cannot assure you that Melco Resorts Macau would be able to secure any new concession or subconcession or extend its subconcession, , on terms favorable to us, or at all.

Under the Subconcession Contract, the Macau government has the right, beginning from 2017, to redeem the Subconcession Contract by providing us with at least one year's prior notice. In the event the Macau government exercises this redemption right, we would be entitled to compensation. Calculation of the amount of any such compensation would be determined based on the gross revenues generated by City of Dreams during the tax year immediately prior to the exercise of the redemption, multiplied by number of years of the remaining term of the subconcession. We would not receive any further compensation (including for consideration paid to Wynn Macau for the subconcession). We cannot assure you that if Melco Resorts Macau's subconcession were redeemed, the compensation paid would be adequate to compensate us for the loss of future revenues.

Our business and operations in Macau are dependent upon our subconcession and, if we fail to comply with the complex legal and regulatory regime in Macau, our subconcession may be subject to revocation.

Under the terms of the Subconcession Contract, we are obligated to comply with all laws, regulations, rulings and orders promulgated by the Macau government from time to time. In addition, we must comply with all the terms of the Subconcession Contract which contains various general covenants and provisions, such as general and special duties of cooperation, special duties of information and obligations in relation to the execution of our investment plan, as to which the determination of compliance is subjective and depend, in part, on our ability to maintain continuing communications and good faith negotiations with the Macau government to ensure that we are performing our obligations under the subconcession in a manner that would avoid any violations. We cannot assure you that we will perform such covenants in a way that satisfies the requirements of the Macau government.

Under Melco Resorts Macau's subconcession, the Macau government is allowed to request various changes in the plans and specifications of our Macau properties and impose business and corporate requirements that may be binding on us. For example, the Macau Chief Executive has the right to require that we increase Melco Resorts Macau's share capital or that we provide certain deposits or other guarantees of performance with respect to the obligations of our Macau subsidiaries. Melco Resorts Macau must also first obtain the Macau government's approval before raising certain financing. As a result, we cannot assure you that we will be able to comply with these requirements or any other requirements of the Macau government or with the other requirements and obligations imposed by the subconcession.

The harshest penalty that may be imposed on us for failure to comply with the complex legal and regulatory regime in Macau and the terms of the Subconcession Contract is revocation of the subconcession. Under the subconcession, the Macau government has the right to unilaterally terminate the subconcession in the event of non-compliance by Melco Resorts Macau with its basic obligations under the subconcession and applicable Macau laws. If such a termination were to occur, all of our casino premises and gaming equipment would revert to the Macau government automatically without compensation to us and Melco Resorts Macau would be unable to operate casino gaming in Macau, which would have a material adverse effect on our financial condition, results of operations and cash flows and could result in defaults under our indebtedness agreements and a partial or complete loss of our investments in our projects. We would also be unable to recover the US$900 million consideration paid to Wynn Macau for the issue of the subconcession. For a list of termination events, see "Item 4. Information on the Company — B. Business Overview — Regulations — Gaming Licenses — The Subconcession Contract in Macau." These events could lead to the termination of Melco Resorts Macau's subconcession without compensation to Melco Resorts Macau. In many of these instances, the Subconcession

Contract does not provide for a specific cure period within which any such events may be cured and the granting of any cure period, if at all, would be at the discretion of the Macau government.

Currently, there is no precedent on how the Macau government will treat the termination of a concession or subconcession and many of the laws and regulations relating to termination of a concession or subconcession have not yet been applied by the Macau government. Accordingly, the scope and enforcement of the provisions of Macau's gaming regulatory system cannot be fully assessed.

Studio City faces significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations.

Studio City commenced operations in October 2015. While we have made significant capital investments for the development of Studio City, the Studio City land grant conditions, including, among others, completing the development of the land on which Studio City is located, require additional capital investments for Studio City.

Furthermore, Studio City operates in a challenging competitive environment. For example, some of our competitors in Macau have expanded operations or have announced intentions for further expansion and developments in Cotai, where Studio City is located. See "— We face intense competition in Macau, the Philippines and elsewhere in Asia and may not be able to compete successfully." Moreover, we face risks and uncertainties related to changes to the Chinese and Macau governments' policies and regulations relating to gaming markets, including those affecting gaming table allocation and caps, smoking restrictions, exchange control and repatriation of capital, measures to control inflation and monetary transfers and travel restrictions.

In addition, in December 2020, Studio City announced that Melco Resorts Macau would continue VIP rolling chip operations at the Studio City Casino until December 31, 2021, subject to early termination with 30 days' prior notice. There is no assurance or expectation that any additional gaming tables will be allocated to Studio City Casino, including any VIP gaming tables.

In addition, Studio City may find it challenging to comply with the terms imposed under its financing arrangements, especially during periods of challenging market conditions (including changes in China's economy). The 2028 Studio City Senior Secured Credit Facility and the indentures governing the Studio City Notes impose certain operating and financial restrictions, including limitations on the ability to pay dividends, incur additional debt, make investments, create liens on assets or issue preferred stock. If we are unable to comply with such restrictions, it could cause repayment of our debt to be accelerated. In addition, such terms may also impair our ability to obtain additional financing for developing and completing the remaining project for the land of Studio City by May 31, 2022, in which case in the event no further extension is granted to complete such development or the Studio City land concession is terminated, we could lose all or substantially all of our investment in Studio City, including our interest in land and building and we may not be able to continue to operate Studio City. See "— The agreements governing our credit facilities and debt instruments contain certain covenants that restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions or otherwise take actions that may be in our best interests" and "We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by May 31, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land."

All of the foregoing trends, risks and uncertainties may have a material adverse impact on our business, financial condition and results of operations.

Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and any unfavorable fluctuations in the currency exchange rates of the Renminbi.

Gaming operators in Macau are currently prohibited from accepting wagers in Renminbi, the currency of China. There are currently restrictions on the export of the Renminbi outside of mainland China, including to Macau. For example, a Chinese citizen traveling abroad is only allowed to take a total of RMB20,000 plus the equivalent of up to US$5,000 out of China. The annual limit of RMB100,000 (US$15,326) is the aggregate amount that can be withdrawn overseas by any person from Chinese bank accounts and it was set by the Chinese government, with effect on January 1, 2018. In addition, the Chinese government's ongoing anti-corruption campaign has led to tighter monetary transfer regulations, including real-time monitoring of certain financial channels, reducing the amount that China-issued ATM cardholders can withdraw in each withdrawal, imposing a limit on the annual aggregate amount that may be withdrawn and the launch of facial recognition and identity card checks with respect to certain ATM users, which could disrupt the amount of money visitors can bring from mainland China to Macau. Furthermore, a law with respect to the control of cross-border transportation of cash and other negotiable instruments to the bearer was enacted and came into effect on November 1, 2017. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount of MOP120,000 (US$15,027) as determined by the Chief Executive of Macau are required to declare such amount to the customs authorities. Restrictions on the export of the Renminbi may impede the flow of customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact our operations.

In addition, the value of RMB against the U.S. dollar and other currencies may fluctuate and may be affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. In 2020, the value of RMB appreciated approximately 6.7% against the U.S. dollar. It remains difficult to predict how market forces or PRC or U.S. government policy, including the ongoing trade disputes between the PRC and the US governments may further exacerbate the devaluation of RMB against the U.S. dollar and other currencies in the future. Given that we derive a significant majority of our revenues from our Macau gaming business and a significant number of our gaming customers come from, and are expected to continue to come from, mainland China, any further devaluation of the RMB against the U.S. dollar and other currencies may affect the visitation and level of spending of these gaming customers and could in turn have a material adverse effect on our revenues and financial condition.

Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful.

Our operations in Macau are also exposed to the risk of changes in laws and policies. Current laws in Macau, such as licensing requirements, tax rates and other regulatory obligations, including those for anti-money laundering, could change or become more stringent resulting in additional regulations being imposed upon gaming operations in Macau. See "— The gaming industries in Macau, the Philippines and Cyprus are highly regulated."

In September 2009, the Macau government set a cap on commission payments to gaming promoters of 1.25% of net rolling. This policy may limit our ability to develop successful relationships with gaming promoters and attract VIP rolling chip players, which in turn may adversely affect the financial performance of our VIP rolling chip operations. Any failure to comply with these regulations may result in the imposition of liabilities, fines and other penalties and may materially and adversely affect our subconcession. The Macau government is currently considering amending the Macau Administrative Regulation no. 6/2002, as amended by the Administrative Regulation 27/2009. The Macau government is, among other things, proposing more stringent and restrictive licensing requirements for gaming promoters, the imposition of new penalties and the increase of the amounts of current fines. See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Gaming Promoters Regulations." Increased regulatory scrutiny of gaming promoters in Macau has resulted, and may continue to result, in the cessation of business of certain gaming promoters, thereby

resulting in remaining gaming promoters having significant leverage and bargaining strength in negotiating agreements, including negotiating changes to existing agreements, or the loss of business to competitors or the loss of relationships with certain gaming promoters.

In addition, the Macau government-imposed regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, entry into casinos by off-duty gaming related employees, location requirements for sites with gaming machine lounges, data privacy and other matters. Any such legislation, regulation or restriction imposed by the Macau government may have a material adverse impact on our operations, business and financial performance. Furthermore, our inability to address any of these requirements or restrictions imposed by the Macau government could adversely affect our reputation and result in criminal or administrative penalties, in addition to any civil liability and other expenses. See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Gaming Regulations."

Also, since January 1, 2019, smoking on the premises of casinos is only permitted in authorized segregated smoking lounges with no gaming activities, and such segregated smoking lounges are required to meet certain standards determined by the Macau government. Our properties currently have a number of segregated smoking lounges. We cannot assure you that the Macau government will not enact more stringent smoking control legislations. Such limitations imposed on smoking have and may deter potential gaming patrons who are smokers from frequenting casinos in Macau, which could adversely affect our business, results of operations and financial condition. See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Smoking Regulations."

Furthermore, in March 2010, the Macau government announced that the number of gaming tables operating in Macau should not exceed 5,500 until the end of the first quarter of 2013. On September 19, 2011, the Secretary for Economy and Finance of the Macau government announced that for a period of ten years thereafter, the total number of gaming tables to be authorized in Macau will increase by an amount equal to an average 3% per annum for ten years. The Macau government subsequently clarified that the allocation of tables over this ten-year period does not need to be uniform and tables may be pre-allocated to new properties in Macau. There is no assurance that we will be allocated any new gaming tables authorized by the Macau government, including in connection with the expansion of any existing properties or for any new properties we may develop in Macau.

The Macau government has also determined that tables authorized by the Macau government for mass market gaming operations may not be utilized for VIP gaming operations. These restrictions are not legislated or enacted into statutes or ordinances and, as such, different policies, including in relation to the annual increase rate in the number of gaming tables, may be adopted, and existing policies amended, at any time by the relevant Macau government authorities.

Current Macau laws and regulations concerning gaming and gaming concessions and matters such as prevention of money laundering are fairly recent or there is little precedent on the interpretation of these laws and regulations. These laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations or issue new or modified regulations that differ from our interpretation, which could have a material adverse effect on the operation of our properties and on our financial condition, results of operations, cash flows and prospects.

Our activities in Macau are subject to administrative review and approval by various departments of the Macau government. For example, our business activities are subject to the administrative review and approval by the DICJ, Macau health department, Macau labor bureau, Macau public works bureau, Macau fire department, Macau finance department and Macau Government Tourism Office. We cannot assure you that we will be able to obtain or maintain all necessary approvals, which may materially affect our business, financial condition, results of operations, cash flows and prospects. Macau law permits redress to the courts with respect to administrative actions. However, such redress is largely untested in relation to gaming regulatory issues.

The Macau government has established a maximum number of gaming tables that may be operated in Macau and may limit the number of new gaming tables at new gaming areas in Macau.

The Macau government has imposed a cap on gaming tables and restricts the number of gaming tables that may be operated in Macau. A cap of 5,500 tables up to the end of the first quarter of 2013 was implemented. In addition, for a period of ten years commencing from the second quarter of 2013, the number of gaming tables to be authorized by the Macau government will be limited to an average annual increase of 3%. According to the DICJ, the number of gaming tables in Macau as of December 31, 2020, was 6,080. The Macau government has reiterated further that it does not intend to authorize the operation of any new casino or gaming area that was not previously authorized by the government, or permit tables authorized for mass market gaming operations to be utilized for VIP gaming operations or authorize the expansion of existing casinos or gaming areas. Given such announcements by the Macau government, we may not be able to obtain Macau government's approval to expand our existing casinos or gaming areas or operate a sufficient number of gaming tables at our properties in Macau. These restrictions may have a material impact on our gaming revenues, overall business and operations and may adversely affect our development projects and the future expansion of our business.

Melco Resorts Macau's tax exemption from complementary tax on income from gaming operations under the subconcession tax will expire in 2021, and we may not be able to extend it.

Companies in Macau are subject to complementary tax of up to 12% of taxable income, as defined in relevant tax laws. We are also subject to a 35% special gaming tax on our gaming revenues as well as other levies of 4% imposed under the Subconcession Contract. Such other levies may be subject to change in the event the Subconcession Contract is renegotiated and as a result of any change in relevant laws. The Macau government granted to Melco Resorts Macau the benefit of a corporate tax holiday on gaming profits in Macau until 2021. In addition, the Macau government has granted to one of our subsidiaries in Macau the complementary tax exemption until 2021 on profits generated from income received from Melco Resorts Macau, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. The dividend distributions of such subsidiary to its shareholders continue to be subject to complementary tax. We cannot assure you that the corporate tax holiday benefits will be extended beyond their expiration dates.

During the five-year period from 2012 through 2016, an annual payment of MOP22.4 million (equivalent to US$2.8 million) was payable by Melco Resorts Macau, effective retroactively from 2012 through 2016, with respect to tax due for dividend distributions to the shareholders of Melco Resorts Macau from gaming profits, whether such dividends are actually distributed by Melco Resorts Macau or not, or whether Melco Resorts Macau has distributable profits in the relevant year. For the five-year period from 2017 through 2021, the annual payment payable by Melco Resorts Macau is MOP18.9 million (equivalent to US$2.4 million). Upon the payment of such payment amount, the shareholders of Melco Resorts Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. We cannot assure you that the same arrangement will be applied beyond 2021 or that, in the event a similar arrangement is adopted, whether we will be required to pay a higher annual sum.

Risks Relating to Operating in the Gaming Industry in the Philippines

The land and buildings comprising the site occupied by City of Dreams Manila is leased by Melco Resorts Leisure and thus subject to risks associated with tenancy relationships.

Melco Resorts Leisure entered into a lease agreement on October 25, 2012, which became effective on March 13, 2013 (as amended or supplemented, the "Lease Agreement"), pursuant to which it leases from Belle Corporation the land and buildings occupied by City of Dreams Manila, which, in turn, leases part of the land from the Philippine government's social security system (the "Social Security System"). Numerous potential issues or causes for disputes may arise from a tenancy relationship, such as with respect to the provision of utilities on the premises, rental lease payments, or any adjustments thereto, and the maintenance and normal repair of the buildings, any of which could result in an arbitrable dispute between Belle Corporation and Melco

Resorts Leisure. There can be no assurance that any such dispute would be resolved or settled amicably or expediently or that Melco Resorts Leisure will not encounter any material issues with respect to its tenancy relationship with Belle Corporation. On March 22, 2021, the parties entered into a supplemental agreement to make certain adjustments to the rental payments paid and payable by Melco Resorts Leisure for 2020 and 2021 as a result of the disruptions caused by the COVID-19 pandemic. There can be no assurance that any material issue arising out of the tenancy relationship can always be resolved swiftly and on terms acceptable to us. Furthermore, if any dispute arises, Belle Corporation, as lessor, could discontinue essential services necessary for the operation of City of Dreams Manila, or seek relief to oust Melco Resorts Leisure from possession of the leased premises. Any prolonged or substantial dispute between Belle Corporation and Melco Resorts Leisure, or any dispute arising under the lease agreement between Belle Corporation and the Social Security System, could have a material adverse effect on the operations of City of Dreams Manila, which would in turn adversely affect our business, financial condition and results of operations. In addition, any negative publicity arising from disputes with, or non-compliance by, Belle Corporation with the Lease Agreement would have a material adverse effect on our business and prospects, financial condition and results of operations.

Furthermore, the Lease Agreement may be terminated under certain circumstances, including Melco Resorts Leisure's non-payment of rent, or if either party fails to substantially perform any material covenants under the Lease Agreement and fails to remedy such non-performance in a timely manner, which would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

If the termination of certain agreements which Belle Corporation previously entered into with another casino operator and other third parties is not effective, such operator and third parties may seek to enforce these agreements against Belle Corporation or MRP as a co-licensee of Belle Corporation, which could adversely impact City of Dreams Manila and MRP.

Melco Resorts Leisure is designated as the sole operator under the provisional gaming license issued by PAGCOR on December 12, 2008 for the development of an integrated tourism resort and to establish and operate a casino within Entertainment City in Manila, the Philippines, under which the Melco Philippine Parties and the Philippine Parties are co-licensees pursuant to the Amended Certificate of Affiliation and Provisional License dated January 28, 2013 (the "Provisional License"). Prior to this, Belle Corporation and the other Philippine Parties subsequently elected to terminate such contracts and the operator with whom Belle Corporation previously contracted, on behalf of itself and such third-party contractors, signed a waiver releasing the Philippine Parties from all obligations thereunder. Although Belle Corporation agreed to indemnify the Melco Philippine Parties from any loss suffered in connection with the termination of such contracts, there can be no assurance that Belle Corporation will honor such agreement. Any issues which may arise from such contracts and their counterparties, or any attempt by another operator or any other third party contractor to enforce provisions under such contracts, could interfere with MRP's operations or cause reputational damage, which would in turn materially and adversely affect our business, financial condition and results of operations.

Compliance with the terms of the Philippine License, MRP's ability to operate City of Dreams Manila and the success of City of Dreams Manila as a whole are dependent on the actions of the other Philippine Licensees over which MRP has no control.

Although Melco Resorts Leisure is the sole operator of City of Dreams Manila, the ability of the Melco Philippine Parties to operate City of Dreams Manila, as well as the fulfillment of the terms of the Philippine License granted by PAGCOR in relation to City of Dreams Manila, depends to a certain degree on the actions of the Philippine Parties. For example, the Philippine Parties, as well as the Melco Philippine Parties, are responsible for meeting a certain debt to equity ratio as specified in the Philippine License. The failure of any of the Philippine Parties to comply with these conditions would constitute a breach of the Philippine License. As the Philippine Parties are separate corporate entities over which MRP has no control, there can be no assurance that the Philippine Parties will remain in compliance with the terms of the Philippine License of their obligations and responsibilities under cooperation agreement (as amended) entered into between the Philippine Parties and the

Melco Philippine Parties on October 25, 2012, which became effective on March 13, 2013. In the event of any non-compliance, there can be no assurance that the Philippine License will not be suspended or revoked. In addition, if any of the Philippine Parties fails to comply with any of the conditions to the Philippine License, MRP may be forced to take action against the Philippine Parties under the cooperation agreement between the Philippine Parties and the Melco Philippine Parties or to enter into negotiations with PAGCOR for amendments to the Philippine License. There can be no assurance that any attempt to amend the Philippine License would be successful. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Furthermore, under the cooperation agreement between the Philippine Parties and the Melco Philippine Parties, the Philippine Parties are required to contribute the land and building structures for City of Dreams Manila. There can be no assurance that the title to the land and building structures for City of Dreams Manila will not be challenged by third parties or the Philippine government in the future. Any such event, each of which is beyond MRP's control, may curtail the ability of MRP to operate City of Dreams Manila in an efficient manner or at all and have a material adverse effect on our business, financial condition and results of operations.

Melco Resorts Leisure's right to operate City of Dreams Manila is subject to certain limitations.

Melco Resorts Leisure's right to operate City of Dreams Manila is subject to certain limitations under the operating agreement for the management and operation of City of Dreams Manila, entered into among Melco Resorts Leisure and the Philippine Parties. For example, Melco Resorts Leisure is prohibited from entering into any contract for City of Dreams Manila outside the ordinary course of the operation and management of City of Dreams Manila with an aggregate contract value exceeding US$3.0 million (such contract value to be increased by 5.0% each year on each anniversary date of the operating agreement) without the consent of the other Philippine Licensees. In addition, Melco Resorts Leisure is required to remit specified percentages of the mass market and VIP gaming earnings before interest, tax, depreciation and amortization or net revenues derived from City of Dreams Manila to PremiumLeisure and Amusement Inc.

If Melco Resorts Leisure is unable to comply with any of the provisions of the operating agreement, the other parties to the operating agreement may bring lawsuits and seek to suspend or replace Melco Resorts Leisure as the sole operator of City of Dreams Manila, or terminate the operating agreement. Moreover, the Philippine Parties may terminate the operating agreement if Melco Resorts Leisure materially breaches the operating agreement. Termination of the operating agreement, whether resulting from Melco Resorts Leisure's or the Philippine Parties' non-compliance with the operating agreement, would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

Melco Resorts Leisure may be forced to suspend VIP gaming operations at City of Dreams Manila under certain circumstances.

Under the operating agreement for City of Dreams Manila, Melco Resorts Leisure must periodically calculate, on a 24-month basis, the respective amounts of VIP gaming earnings before interest, tax, depreciation and amortization derived from City of Dreams Manila (the "PLAI VIP EBITDA") and VIP gaming net win derived from City of Dreams Manila pursuant to the operating agreement (the "PLAI VIP Net Win") and report such amounts to the Philippine Parties. If the PLAI VIP EBITDA is less than the PLAI VIP Net Win, the Philippine Licensees must meet within ten business days to discuss and review City of Dreams Manila's financial performance and agree on any changes to be made to the business operations of City of Dreams Manila and/or to the payment terms under the operating agreement. If such an agreement cannot be reached within 90 business days, Melco Resorts Leisure must suspend VIP gaming operations at City of Dreams Manila.

Any suspension of VIP gaming operations at City of Dreams Manila would materially and adversely impact gaming revenues from City of Dreams Manila. Moreover, suspension of VIP gaming operations could effectively lead Melco Resorts Leisure to limit or suspend certain non-gaming operations focusing on VIP

players, such as the VIP hotel and VIP lounge, which would further reduce revenues from City of Dreams Manila. Any suspension of VIP gaming operations, even for a brief period of time, could also damage the reputation and reduce the attractiveness of City of Dreams Manila as a premium gaming destination, particularly among premium direct players and other VIP players, as well as gaming promoters, which could have a material adverse effect on our business, financial condition and results of operations.

MRP's strategy to attract Premium Market customers to City of Dreams Manila may not be effective.

A part of MRP's strategy for City of Dreams Manila is to capture a share of the premium gaming market in the region. Compared to general market patrons, whose typical wagers are relatively low, premium market patrons usually have higher minimum bets. Despite its targeted marketing efforts, there can be no assurance that the premium market customers will be incentivized to play in City of Dreams Manila rather than in comparable properties in Macau or elsewhere in the region, as these players may be unfamiliar with the Philippines or refuse to change their normal gaming destination. If MRP is unable to expand in the premium market as it intends, this would adversely affect its and/or our business and results of operations.

Changes in public acceptance of gaming in the Philippines may adversely affect City of Dreams Manila.

Public acceptance of gaming changes periodically in various gaming locations in the world and represents an inherent risk to the gaming industry. In addition, the Philippine Catholic Church, community groups, non-governmental organizations and individual government officials have, on occasion, taken strong and explicit stands against gaming. PAGCOR has in the past been subject to lawsuits by individuals trying to halt the construction of casinos in their communities. Church leaders have on occasion called for the abolition of PAGCOR. There can be no guarantee that negative sentiments will not be expressed in the future against City of Dreams Manila or integrated casino resorts in general, which may reduce the number of visitors to City of Dreams Manila and materially and adversely affect our business, financial condition and results of operations.

MRP may be unable to successfully register City of Dreams Manila as a tourism enterprise zone with the Philippine Tourism Infrastructure and Enterprise Zone Authority, an agency of the Philippine Department of Tourism ("TIEZA").

While Melco Resorts Leisure intends to apply for a designation as a tourism enterprise with TIEZA, there can be no assurance that TIEZA will approve the designation of Melco Resorts Leisure as a tourism enterprise. If Melco Resorts Leisure is unable to register as a tourism enterprise with TIEZA, it will not be entitled to certain fiscal incentives provided to some of Melco Resorts Leisure's competitors that are registered as tourism enterprises under TIEZA. For example, MRP's liability for value added tax ("VAT") on its sales largely depends on whether it may avail itself of tax incentives under TIEZA. If tax incentives under TIEZA are not available to MRP, it will be liable for VAT, which may result in a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

In addition, if Melco Resorts Leisure is able to register as a tourism enterprise with TIEZA, it will then be required to withdraw its current registration as a tourism economic zone enterprise with the Philippine Economic Zone Authority. The process of shifting from a tourism economic zone enterprise under the Philippine Economic Zone Authority to a tourism enterprise under TIEZA is uncertain. There is also uncertainty with respect to the fiscal incentives that may be provided to a registered tourism enterprise under TIEZA. Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

However, several legislative bills were previously passed and are currently pending in the Philippine legislature with a view towards rationalizing fiscal incentives currently granted to certain enterprises and activities, including tourism enterprises. It is uncertain whether these bills will be passed into law, or what the effect, if any, will be on the incentives currently granted to qualified tourism enterprises under the Republic Act No. 9593, of the Philippines, or the Tourism Act of 2009.

MRP's gaming operations are dependent on the Philippine License issued by PAGCOR.

PAGCOR regulates all gaming activities in the Philippines except for lottery, sweepstakes, jueteng, horse racing and gaming inside the Cagayan Export Zone. City of Dreams Manila's gaming areas may only legally operate under the Philippine License granted by PAGCOR, which imposes certain requirements on the Melco Philippine Parties and their service providers. The Philippine License is also subject to suspension or termination upon the occurrence of certain events. The requirements imposed by the Philippine License include, among others:

- payment of monthly license fees to PAGCOR;
- maintenance of a debt-to-equity ratio (based on calculation as agreed with PAGCOR) for each of the Philippine Licensees of no greater than 70:30;
- at least 95.0% of the total employees of City of Dreams Manila must be Philippine citizens;
- 2.0% of certain casino revenues must be remitted to a foundation devoted to the restoration of cultural heritage and 5.0% of certain non-gaming revenues to PAGCOR; and
- operation of only the authorized casino games approved by PAGCOR.

Moreover, certain provisions and requirements of the Philippine License are open to different interpretations and have not been interpreted by Philippine courts or made subject to more detailed interpretative rules. There is no guarantee that the Melco Philippine Parties' proposed mode of compliance with these or other requirements of the Philippine License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation between PAGCOR and MRP with respect to the Philippine License could result in sanctions against the Melco Philippine Parties, including fines or other penalties, such as suspension or termination of the Philippine License.

There can be no assurance that the Philippine Licensees will be able to continuously comply with all of the Philippine License's requirements, or that the Philippine License will not be modified to contain more onerous terms or amended in such a manner that would cause the Philippine Licensees to lose interest in the operation of City of Dreams Manila. If the Philippine License is materially altered or revoked for any reason, including the failure by any of the Philippine Licensees to comply with its terms, MRP may be required to cease City of Dreams Manila's gaming operations, which would have a material adverse effect on our business, financial condition and results of operations. In addition, a failure in the internal control systems of MRP may cause PAGCOR to adversely modify or revoke the Philippine License. Finally, the Philippine License will terminate in 2033, coinciding with the PAGCOR Charter's termination, and there is no guarantee that the PAGCOR Charter or the Philippine License will be renewed.

In addition, City of Dreams Manila's gaming operations is highly regulated in the Philippines. As PAGCOR is also a gaming operator, there can be no assurance that PAGCOR will not withhold certain approvals from the Melco Philippine Parties in order to favor its own gaming operations. PAGCOR may also modify or impose additional conditions on its licensees or impose restrictions or limitations on Melco Resorts Leisure's casino operations that would interfere with Melco Resorts Leisure's ability to provide VIP services, which could adversely affect MRP's business, financial condition and results of operations.

City of Dreams Manila may be required to obtain an additional legislative franchise, in addition to its Philippine License.

On August 2, 2017, House Bill No. 6111 was filed which proposed the creation of the Philippine Amusements and Gaming Authority, or PAGA, which will replace PAGCOR as the regulatory agency of gaming activities in the Philippines. Also under House Bill No. 6111, the holders of gaming licenses in the Philippines, including the Philippine Licensees, will be required to obtain from the Philippine Congress a legislative franchise to operate gambling casinos, gaming clubs and other similar gambling enterprises within one year from the date

of the proposed law's effectiveness. Non-compliance will result in the operations of holders of gaming licenses in the Philippines, including the Philippine Licensees, to be considered as illegal. On October 2, 2017, House Bill No. 6514 was filed whose provisions are essentially similar to House Bill No. 6111, particularly on the need for holders of gaming licenses in the Philippines, including the Philippine Licensees, to obtain from the Philippine Congress a legislative franchise within one year from the date of the proposed law's effectiveness.

It is not yet known if House Bills 6111 and 6514, in their current form, will be approved by the House of Representatives, Senate or signed into law by the President. In the event that House Bills 6111 and 6514 are signed into law, City of Dreams Manila may be required to obtain an additional legislative franchise in addition to its Philippine License and there can be no assurance that such a franchise, which requires legislative approval, will be granted. In addition, the Philippine License may be subject to amendment or repeal by the Philippine Congress. In the event City of Dreams Manila is not granted any required franchise, or the Philippine License is materially amended or repealed, the operation of City of Dreams Manila may cease, which would have a material adverse effect on our business, financial condition and results of operations.

There exists uncertainty over whether holders of gaming licenses in the Philippines, including the gaming operations of our Philippine subsidiaries, will be subject to corporate income, value added or other tax assessments, in addition to the license fees paid to PAGCOR.

There exists uncertainty over whether holders of gaming licenses in the Philippines, including the gaming operations of our Philippine subsidiaries, will be subject to corporate income tax at the rate of 30% (as of the date of this annual report), value-added tax and other tax assessments in addition to the license fees paid to PAGCOR pursuant to the Philippine License. On March 2011, the Supreme Court of the Philippines issued an order implicitly revoking PAGCOR's exemption from corporate income tax under the PAGCOR Charter and removing PAGCOR from the list of government-owned and controlled corporations that are exempt from paying corporate income tax. Subsequently, in April 2013, the Bureau of Internal Revenue of the Philippines ("BIR") issued a circular indicating that PAGCOR and its licensees and contractees are subject to corporate income tax on their gambling, casino, gaming club and other similar recreation or amusement and gaming pool operations.

In connection with the 2011 Supreme Court decision described above, PAGCOR, in May 2014, issued a regulation allowing holders of gaming licenses in the Philippines and the other casino operators to reallocate ten percent (10%) of the monthly license fees to be remitted to PAGCOR. This 10% would be used to pay any corporate income tax that may be levied against such license holders and the other casino operators at the end of the fiscal year, and any remaining amount after paying such tax would be remitted to PAGCOR. On August 15, 2016, PAGCOR advised the holders of gaming licenses in the Philippines that the reallocation of the 10% of the license fees will be discontinued. In February 2015, the Supreme Court of the Philippines issued another decision stating that PAGCOR's income from its gaming operations can only be subject to a five percent (5%) franchise tax, and not corporate income tax. In addition, the Supreme Court of the Philippines in its February 2015 decision ruled that despite amendments to the National Internal Revenue Code, the PAGCOR Charter remains in effect, and thus, income from gaming operations shall not be subject to corporate income tax. In August 2016, the Supreme Court of the Philippines accepted the petition filed by Bloomberry Resorts and Hotels, Inc., one of the four PAGCOR licensees and operator of Solaire, against the BIR to cease and desist from imposing corporate income tax on income derived from gaming operations. The BIR filed a motion for reconsideration of the August 2016 decision, which the Supreme Court of the Philippines denied in November 2016, and which denial has become final and executory.

Notwithstanding the 2015 and 2016 Supreme Court decisions and the subsequent developments described above, BIR has taken various measures to impose corporate income, value added and other taxes on income derived from gaming operations in the Philippines. In light of the actions and positions taken by BIR, it is uncertain whether the 2015 and 2016 Supreme Court decision described above would be enforced and there is no assurance that the 2016 Supreme Court decision would be applicable to holders of gaming licenses in the Philippines, including our Philippine subsidiaries. Furthermore, there is no assurance that the gaming operations

of our Philippine subsidiaries would not become subject to value added and other tax assessments imposed by BIR and other Philippine authorities. Any assessment of corporate income, value added or other taxes on the gaming operations of our Philippine subsidiaries may be significant in amount and any requirement to pay such taxes would have a material adverse effect on our business, financial condition and results of operations.

On December 19, 2017, Republic Act No. 10963, or the Tax Reform for Acceleration and Inclusion Act, was signed into law and took effect on January 1, 2018. The Tax Reform for Acceleration and Inclusion Act changed existing tax laws and included several provisions that will generally affect businesses on a prospective basis. Any future amendment on the Tax Reform for Acceleration and Inclusion Act, such as changes on the application of value added and corporate income taxes, as they apply to PAGCOR or the casinos, may have significant impact on our business.

The Philippine Licensees may further be subject to other forms of taxes that may be implemented by the Philippine government in the future.

MRP is exposed to risks in relation to MRP's previous business activities and industry.

Prior to our acquisition of MRP, MRP's primary business was the manufacture and processing of pharmaceutical products. The pharmaceuticals industry is highly regulated in the Philippines and abroad. There can be no assurance that MRP will not be involved in or subject to claims, allegations or suits with respect to its previous activities in the pharmaceutical industry for which MRP may not be insured fully or at all. Although MRP has indemnities as to certain liabilities or claims or other protections put in place, any adverse claim or liability imputed to MRP with respect to its previous business activities could have a material adverse effect on its business and prospects, financial condition, results of operations and cash flow.

Our Philippine operations may be adversely affected by policy changes in the Philippines.

Our Philippine operations may be adversely affected by changes in policies due to changes in government personnel in the Philippines, including but not limited to any changes following elections in the Philippines. There can be no assurance that newly elected or appointed officials will not modify previous policies in relation to the development and operation of integrated tourism resorts in the Philippines, tax incentives extended to their developers or operators or policies on gaming and tourism in the Philippines in general. Newly elected or appointed officials may also impose more stringent or additional conditions on gaming licenses or seek to discourage Philippine citizens from gambling by imposing restrictions. We are unable to predict whether new officials will seek to further alter or impose stricter conditions relating to gaming in the Philippines. Adverse changes in policies and regulations by the current administration or any officials elected or appointed in the future in the Philippines could disrupt the operations of our Philippine subsidiaries and materially and adversely affect our financial condition and results of operations.

Risks Relating to Operating in the Gaming Industry in Cyprus

Our operations in Cyprus, particularly the development of City of Dreams Mediterranean, face significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations.

Our operations in Cyprus include a temporary casino in Limassol and the license to operate four satellite casinos and the development of City of Dreams Mediterranean. In July 2019, we acquired a 75% equity interest in ICR Cyprus from Melco International, our controlling shareholder, while the remaining 25% equity interest in ICR Cyprus is held by The Cyprus Phassouri (Zakaki) Limited. We have entered into a shareholders' agreement with The Cyprus Phassouri (Zakaki) Limited regarding certain commercial and financial arrangements pursuant to which we will, as more fully set out in additional management and service contracts, (i) provide certain corporate-level management services to ICR Cyprus and its subsidiaries for a fixed amount of

EUR2 million per annum and (ii) have the right to receive an allotment of preference shares in the gaming license-holding subsidiary of ICR Cyprus, which will provide the right to a preferential dividend, among other terms.

We will require the continued partnership and cooperation of The Cyprus Phassouri (Zakaki) Limited for the operation of our Cyprus casinos. The temporary casino in Limassol and two satellite casinos in Nicosia and Larnaca opened in 2018, the third satellite casino opened in 2019 in Ayia Napa and our fourth satellite casino in Paphos opened in February 2020. In addition, our City of Dreams Mediterranean project, which requires significant investment of capital and other resources, is still under development and is required to open by September 30, 2022 under the terms of the Cyprus License, following an extension granted by the government of Cyprus. Our operations in Cyprus are also subject to ongoing compliance with various laws, regulations, licenses, permits and renewals of those licenses and permits. Given our relatively short operating history and limited experience in Cyprus, which also represents our first significant business venture outside of Asia, it may be difficult for us to comply with the applicable laws and regulations or to secure all necessary licenses and permits in Cyprus, which could be time-consuming and significantly increase our costs. In addition, Cyprus is a new gaming market and we may not achieve the intended results or return through our operations in Cyprus. In June 2020, we ceased operations of the satellite casino in Larnaca.

While we have already made significant capital investments for the development and operation of our operations in Cyprus, the ongoing development of City of Dreams Mediterranean requires further significant additional capital investments. Based on our current plan for the development of City of Dreams Mediterranean integrated resorts project, we currently expect a project budget of approximately US$550 million to US$600 million (inclusive of the land cost but exclusive of any pre-opening costs and financing costs). The development of City of Dreams Mediterranean may be funded through various sources, including equity, cash on hand, operating free cash flow as well as other financing, including by way of shareholder loans and external debt financings. We will be required to obtain approval from, or the consent of, or notify relevant government authorities, including the CGC, in order to enter into such debt financings. Given that this is the first significant integrated casino resort project to be developed in Cyprus, we may face difficulty in obtaining the necessary approvals or consents in a timely manner or at all. Our ability to obtain such debt financing also depends on a number of factors beyond our control, including market conditions such as the higher prospect of a global recession and a contraction of liquidity in the global credit markets caused by the effect of the large-scale global COVID-19 pandemic and lenders' perceptions of, and demand for the debt financing for our City of Dreams Mediterranean project. Under the shareholders' agreement entered into between us and The Cyprus Phassouri (Zakaki) Limited regarding ICR Cyprus, the shareholders are obligated to use all commercially reasonable endeavors, subject to certain terms and conditions, to source debt financing of up to EUR437 million (equivalent to approximately US$534 million) for the development of City of Dreams Mediterranean. To the extent there is a shortfall in the amount of third-party debt available (or available on commercially-acceptable terms), we are obligated to fund the shortfall up to the full amount of EUR437 million (equivalent to approximately US$534 million) on terms which are, subject to certain terms and conditions, no less favorable to the project than any commercially-acceptable terms available in the commercial lending market. In connection therewith, a shareholder loan agreement for up to EUR275 million (equivalent to approximately US$336 million) was entered into by a subsidiary of the Company as lender, and Integrated Casino Resorts as borrower in March 2020. There is no guarantee that we can secure the necessary additional capital investments, including any debt financing, required for the ongoing development of the City of Dreams Mediterranean project in a timely manner or at all. In addition, our plan for the City of Dreams Mediterranean project may be subject to additional risks, particularly labor shortages exacerbated by the COVID-19 outbreak and resulting disruptions as well as further revisions and changes to certain design elements which remain subject to further refinement and development. For example, construction work at our City of Dreams Mediterranean project was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak and following the suspension, construction work at the site was also subject to the additional health and safety requirements imposed by the Cyprus government due to the COVID-19 outbreak. There is also no assurance that the Cyprus government will not impose additional

restrictions due to the COVID-19 outbreak, which could cause further significant disruptions to the construction work at City of Dreams Mediterranean.

All of these uncertainties increase the risk that construction in Cyprus will not be completed on time and that our construction costs will increase. We were granted a nine-month extension of the deadline for commencement of operations at the City of Dreams Mediterranean by the CGC from the original deadline of December 31, 2021 to September 30, 2022. However, if we fail to commence operations of City of Dreams Mediterranean by September 30, 2022 and are not granted any further extension by the government of Cyprus, and the government of Cyprus exercises its right to terminate the Cyprus License, we could lose all or substantially all of our investment in Cyprus and may not be able to continue our Cyprus operations as planned. In such event, we would also be required to pay a penalty to the Cyprus government and/or may have the Cyprus License terminated if such delay continues beyond a grace period of 100 business days.

All of the foregoing trends, risks and uncertainties may have a material adverse impact on our business, financial condition and results of operations.

Cyprus' gaming operations are dependent on the Cyprus License issued by CGC and any failure to comply with the terms of the Cyprus License could have a material adverse effect on our business, financial condition and results of operations.

Our current operations in Cyprus, including a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos and the development of City of Dreams Mediterranean, are dependent on the Cyprus License granted by the government of Cyprus to Integrated Casino Resorts on June 26, 2017. Under the Cyprus License, Integrated Casino Resorts has been granted the right to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant with the right for exclusivity in Cyprus for the first 15 years of the term. The Cyprus License imposes certain requirements and conditions on Integrated Casino Resorts and its service providers, including the threat of suspension or termination of the Cyprus License upon the occurrence of certain events. Such requirements include, among others:

- in connection with the operation of the temporary casino and City of Dreams Mediterranean, payment to the government of Cyprus of an annual license fee of EUR2.5 million (equivalent to approximately US$3.1 million) per year for the first four-year period commencing from June 26, 2017, the grant date of the Cyprus License, and an annual license fee of EUR5.0 million (equivalent to approximately US$6.1 million) per year for the second four-year period. Upon completion of the above eight-year period and for each four-year period thereafter, the government of Cyprus may review the annual license fee payable for each four-year term, provided that the annual license fee payable per year shall be no less than EUR 5.0 million (equivalent to approximately US$6.1 million) and subject to a maximum percentage increase;
- in connection with the operation of the satellite casino in Nicosia, payment to the government of Cyprus of an annual license fee of EUR1.0 million (equivalent to approximately US$1.2 million) per year since its commencement of operations in 2018;
- in connection with the operation of each of the satellite casinos in Larnaca (which ceased operation in June 2020), Ayia Napa and Paphos, payment to the government of Cyprus of an annual license fee of EUR0.5 million (equivalent to approximately US$0.6 million) per year since their operations commenced in 2018, 2019 and 2020, respectively; and
- payment to the government of Cyprus of a monthly casino tax of an amount equal to 15% of the gross gaming revenue, such casino tax not to be increased during the initial 15-year exclusivity period under the Cyprus License.

Following the extension granted by the government of Cyprus, we are also currently required under the Cyprus License to complete the City of Dreams Mediterranean project and commence operations by September 30, 2022. In the event we are not able to commence operations by September 30, 2022 without a further extension granted by the government of Cyprus and the government of Cyprus exercises its right to terminate the Cyprus License, we could lose all or substantially all of our investment in Cyprus and may not be able to continue our Cyprus operations as planned. In such event, we would also be required to pay a penalty to the Cyprus government and/or may have the Cyprus License terminated if such delay continues beyond a grace period of 100 business days.

Moreover, given that the Cyprus License is the first casino license granted in Cyprus, certain provisions and requirements of the Cyprus License have not yet been interpreted by Cyprus courts and may thereby be subject to different interpretations. There is no guarantee that Integrated Casino Resorts' proposed mode of compliance with these or other requirements of the Cyprus License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation of such Cyprus License requirements between the CGC and/or the government of Cyprus on the one hand and Integrated Casino Resorts on the other could result in sanctions against Integrated Casino Resorts, including fines or other penalties such as suspension or even termination of the Cyprus License.

There can be no assurance that we will be able to continuously comply with all of the requirements under the Cyprus License, or that the Cyprus License will not be modified to contain more onerous terms or in such other manner that would cause us to lose our interest in our Cyprus operations, particularly when the initial 15-year exclusivity period expires in 2032. If the Cyprus License is materially altered or revoked for any reason, including due to any failure by us to comply with its terms, we may be required to cease our gaming operations in Cyprus, which would have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Corporate Structure and Ownership

Our controlling shareholder has a substantial influence over us, and its interests in our business may be different than yours. We have had, and may continue to have, transactions with our controlling shareholder and its affiliates and such transactions may create conflicts of interest between us and our controlling shareholder.

As of March 26, 2021, Melco International's beneficial ownership in our Company was approximately 55.8%. There are risks associated with the possibility that Melco International may: (i) have economic or business interests or goals that are inconsistent with ours; (ii) have operations and projects elsewhere in Asia or elsewhere in the world that compete with our businesses in Macau, the Philippines and in other countries and for available resources and management attention; (iii) take actions contrary to our policies or objectives; or (iv) have financial difficulties. In addition, there is no assurance that the laws and regulations relating to foreign investment in Melco International's governing jurisdictions will not be altered in such a manner as to result in a material adverse effect on our business and operating results.

In addition, Melco International has the power, among other things, to elect or appoint all of the directors to our board, including our independent directors, appoint and change our management, affect our legal and capital structure and our day-to-day operations, approve material mergers, acquisitions, dispositions and other business combinations and approve any other material transactions and financings. These actions may be taken in many cases without the approval of other shareholders and the interests of Melco International may conflict with your interests as minority shareholders.

We have entered into various related party transactions with Melco International and its affiliates and subsidiaries. For example, we acquired a 75% equity interest in ICR Cyprus from Melco International on July 31, 2019. Prior to this acquisition, we had entered into arrangements with Melco International to provide planning,

designing, construction and other services to Melco International and its subsidiaries in connection with the City of Dreams Mediterranean project. We may, from time to time, enter into additional agreements and arrangements with Melco International or its affiliates or subsidiaries in connection with other projects. We may, from time to time, purchase, acquire or invest in other assets, companies or projects held or sponsored by Melco International or its affiliates or subsidiaries. The consideration or amount of such purchase, acquisition or investment may be material or significant. While we believe the terms of agreements and arrangements we have with Melco International or its affiliates or subsidiaries are commercially reasonable, the determination of such commercial terms are subject to judgment and estimates and we may have obtained different terms had we entered into such agreements or arrangements with independent third parties.

Melco International may pursue additional casino projects in Asia, Europe or elsewhere, which, along with its current operations, may compete with our projects in Macau, the Philippines and Cyprus, which could have material adverse consequences to us and the interests of our minority shareholders.

Melco International may take action to construct and operate new gaming projects located in other countries in the Asian region, Europe or elsewhere, which, along with its current operations, may compete with our projects in Macau, the Philippines and Cyprus and could have adverse consequences to us and the interests of our minority shareholders. We could face competition from these other gaming projects as well as competition from regional competitors. We expect to continue to receive significant support from Melco International in terms of its local experience, operating skills, international experience and high standards. Should Melco International decide to focus more attention on casino gaming projects located in other areas of Asia or elsewhere that may be expanding or commencing their gaming industries, or should economic conditions or other factors result in a significant decrease in gaming revenues and number of patrons in Macau, the Philippines and/or Cyprus, Melco International may make strategic decisions to focus on their other projects rather than us, which could adversely affect our growth.

Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition. We cannot guarantee you that Melco International will make strategic and other decisions which do not adversely affect our business.

Changes in our share ownership, including a change of control of our subsidiaries' shares, could result in our subsidiaries' inability to draw loans or cause events of default under our subsidiaries' indebtedness, or could require our subsidiaries to prepay or make offers to repurchase certain indebtedness.

Credit facility agreements relating to certain of our indebtedness contain change of control provisions, including in respect of our obligations relating to our control and/or ownership of certain of our subsidiaries and their assets. Under the terms of such credit facility agreements, the occurrence of certain change of control events, including a decline below certain thresholds in the aggregate direct or indirect shareholdings of certain of our subsidiaries held by us and/or Melco International or certain of our subsidiaries (as the case may be) may result in an event of default and/or a requirement to prepay the credit facilities in relation to such indebtedness in full. Other applicable change of control events under the credit facility agreements include the Company ceasing to be publicly listed on certain designated stock exchanges or steps being taken in connection with the liquidation or dissolution of certain of our subsidiaries.

The terms of the Studio City Notes and the Melco Resorts Finance Notes also contain change of control provisions whereby the occurrence of a relevant change of control event will require us to offer to repurchase the Studio City Notes or the Melco Resorts Finance Notes (as the case may be) (and, in the case of a change of control event under the Melco Resorts Finance Notes, which is accompanied by a ratings decline) at a price equal to 101% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other amount specified under such indebtedness to the date of repurchase.

Any occurrence of these events could be outside our control and could result in events of default and cross-defaults which may cause the termination and acceleration of our credit facilities, the Studio City Notes

and Melco Resorts Finance Notes and potential enforcement of remedies by our lenders or note holders (as the case may be), which would have a material adverse effect on our financial condition and results of operations.

Studio City International Holdings Limited has not been in compliance with the New York Stock Exchange requirements for its continued listing and as a result the SC ADSs may be delisted from trading on the New York Stock Exchange, which could have a material effect on us and the liquidity of the SC ADSs and its Class A ordinary shares.

Our subsidiary, Studio City International Holdings Limited ("Studio City International" or "SCI"), completed the Studio City IPO in 2018 and its SC ADSs have listed on the New York Stock Exchange since then. In February, Studio City International received a notice from the New York Stock Exchange notifying it that it was not in compliance with Section 802.01A of the New York Stock Exchange Listed Company Manual or the NYSE Manual, which requires the number of total shareholders of Studio City International's capital stock be no less than 400 shareholders, or the NYSE Notice. Pursuant to the NYSE Notice, Studio City International is subject to the procedures set forth in Sections 801 and 802 of the NYSE Manual and was requested to submit a business plan within 90 days of receipt of the NYSE Notice that demonstrates how it expects to return to compliance with the minimum total shareholder requirement within a maximum period of 18 months of receipt of the notice.

In accordance with the timing requirement under the NYSE Notice, Studio City International submitted a business plan in May 2020, or the NYSE Business Plan. On July 2, 2020, Studio City International was notified the NYSE Business Plan was accepted by the New York Stock Exchange. In such notification, the New York Stock Exchange also notified it that it was not in compliance with the requirement under Section 802.01A of the NYSE Manual which requires the number of total shareholders of Studio City International's capital stock to be no less than 1,200 shareholders if the average monthly volume of the SC ADSs is less than 100,000 for the most recent 12 months, or the Additional NYSE Non-Compliance, and subject to the procedures set forth in Sections 801 and 802 of the NYSE Manual for the Additional NYSE Non-Compliance. The NYSE Business Plan addressed both the non-compliance contained in the NYSE Notice and the Additional NYSE Non-Compliance. Studio City International expects to have a period of 18 months from receipt of the NYSE Notice to regain compliance with both of the afore-mentioned continued listing standards. Studio City International is subject to quarterly monitoring by the New York Stock Exchange for compliance with the NYSE Business Plan. If it fails to comply with the NYSE Business Plan or do not meet the continued listing standards at the end of the 18-month period, we expect Studio City International will be subject to prompt initiation of NYSE suspension and delisting procedures.

We cannot assure you that Studio City International can or will continually adhere to all of the continued listing requirements of the New York Stock Exchange, including those required to maintain our listing on the New York Stock Exchange, or that the New York Stock Exchange will not take any other action in the course of monitoring its implementation of the NYSE Business Plan, including any reduction of the remediation period. If Studio City International is delisted from the New York Stock Exchange, the SC ADSs or its ordinary shares may be eligible for trading on an over-the-counter market in the United States. In the event that Studio City International is not able to obtain a listing on another U.S. stock exchange or quotation service for the SC ADSs, it may be extremely difficult for holders of the SC ADSs and its shareholders to sell their SC ADSs or ordinary shares in Studio City International. Moreover, if the SC ADSs are delisted from the New York Stock Exchange but listed elsewhere, it will likely be on a market with less liquidity and more price volatility than experienced on the New York Stock Exchange. Holders of the SC ADSs and its shareholders may not be able to sell their SC ADSs or ordinary shares in Studio City International on any such substitute market in the quantities, at the times or at the prices that could potentially be available on a more liquid trading market. In addition, following a delisting from the New York Stock Exchange, as direct or indirect holders of 5% or more of Studio City International's shares are subject to suitability and financial capacity review by the DICJ, a direct or indirect sales of the SC ADSs or ordinary shares in Studio City International representing 5% or more of its outstanding share capital may require prior approval by the Macau government.

Risks Relating to Our Financing and Indebtedness

Our current, projected and potential future indebtedness could impair our financial condition, which could further exacerbate the risks associated with our significant leverage.

We have incurred and expect to incur, based on current budgets and estimates, secured and unsecured long-term indebtedness.

Our outstanding indebtedness as of December 31, 2020 includes

- HK$1.94 million (equivalent to approximately US$249.9 billion) under the 2020 Credit Facilities;
- HK$1.0 million (equivalent to approximately US$0.1 million) under the 2015 Credit Facilities;
- HK$1.0 million (equivalent to approximately US$0.1 million) under the 2021 Studio City Senior Secured Credit Facility;
- US$1.0 billion from Melco Resorts Finance's issuance of the 2025 Senior Notes;
- US$600.0 million from Studio City Finance's issuance of the 2024 Studio City Notes;
- US$500.0 million from Studio City Finance's issuance of the 2025 Studio City Notes;
- US$500.0 million from Studio City Finance's issuance of the 2028 Studio City Notes;
- US$500.0 million from Melco Resorts Finance's issuance of the 2026 Senior Notes;
- US$600.0 million from Melco Resorts Finance's issuance of the 2027 Senior Notes;
- US$850.0 million from Melco Resorts Finance's issuance of the 2028 Senior Notes; and
- US$900.0 million from Melco Resorts Finance's issuance of the First 2029 Senior Notes.

Our expected long-term indebtedness includes:

- financing for a significant portion of any future projects or phases of projects. Additionally, we may incur indebtedness for the remaining project for the land on which Studio City is located and for the development of City of Dreams Mediterranean, depending upon our cash flow position during the construction period;

Our significant indebtedness could have material consequences. For example, it could:

- make it difficult for us to satisfy our debt obligations;
- increase our vulnerability to general adverse economic and industry conditions, including the higher prospect of a global recession and a contraction of liquidity in the global credit markets caused by the effect of the large-scale global COVID-19 pandemic;
- impair our ability to obtain additional financing in the future for working capital needs, capital expenditures, acquisitions or general corporate purposes;
- require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds available to us for our operations or expansion of our existing operations;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage as compared to our competitors, to the extent that they are not as leveraged;
- subject us to higher interest expenses in the event of increases in interest rates to the extent a portion of our indebtedness bears interest at variable rates;

- cause us to incur additional expenses by hedging interest rate exposures of our indebtedness and exposure to hedging counterparties' failure to pay under such hedging arrangements, which would reduce the funds available to us to fund our operations; and
- in the event we or one of our subsidiaries were to default, result in the loss of all or a substantial portion of our and/or our subsidiaries' assets over which our creditors have taken or will take security.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our other obligations.

We may require additional financing to complete our investment projects, which may not be available on satisfactory terms or at all.

We have funded our capital investment projects through, among others, cash generated from our operations, credit facilities, issuance of debt securities and other debt and equity financings. For example, we used such capital resources for our acquisition of a 9.99% ownership interest in Crown Resorts for which we paid a purchase price of AUD879.8 million (equivalent to approximately US$617.8 million based on the exchange rate on the transaction date) on June 6, 2019. We may require additional financing in the future for our capital investment projects, which we may raise through debt or equity financing. We may be required to obtain approval from, or consent of, or notify relevant government authorities or third parties in order to enter into such financings. There is no assurance that we would be able to obtain any required approval or consent from the relevant government authorities or third parties with respect to such financing in a timely manner or at all.

Any financing related to our capital investment projects may also be subject to, among others, the terms of credit facilities, the Melco Resorts Finance Notes and the Studio City Notes and any future financings. In addition, our ability to obtain debt or equity financing on acceptable terms depends on a variety of factors that are beyond our control, including market conditions such as the higher prospect of a global recession and a contraction of liquidity in the global credit markets caused by the effect of the large-scale global COVID-19 pandemic, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies and interest rates. For example, changes in ratings outlooks may subject us to rating agency downgrades, which could make it more difficult for us to obtain financing on acceptable terms. As a result, we cannot assure you that we will be able to obtain sufficient financing on terms satisfactory to us, or at all, to finance our capital investment projects. If we are unable to obtain such funding, our business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected. We may, from time to time, seek to obtain new financings or refinance our outstanding debt through the international markets. Any such financing or refinancing, and our evaluation thereof, will depend on the prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make scheduled payments due on our existing and anticipated indebtedness obligations, including our credit facilities, the Melco Resorts Finance Notes and Studio City Notes, to refinance and to fund working capital needs, planned capital expenditures and development efforts will depend on our ability to generate cash. We will require generation of sufficient operating cash flow from our projects to service our current and future projected indebtedness. Our ability to obtain cash to service our existing and projected debt is subject to a range of economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control, including:

- our future operating performance;
- the demand for services that we provide;
- general economic conditions and economic conditions affecting Macau, the Philippines, Cyprus or the gaming industry in particular, including market conditions such as the higher prospect of a global

recession and a contraction of liquidity in the global credit markets caused by the effect of the large-scale global COVID-19 pandemic;

- our ability to hire and retain employees and management at a reasonable cost;
- competition; and
- legislative and regulatory factors affecting our operations and business.

We may not be able to generate sufficient cash flow from operations to satisfy our existing and projected indebtedness obligations or our other liquidity needs, in which case we may have to seek additional borrowings or undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seek to raise additional capital on terms that may be onerous or highly dilutive, any of which could have a material adverse effect on our operations.

Our ability to incur additional borrowings or refinance our indebtedness, including our credit facilities, the Melco Resorts Finance Notes and Studio City Notes, will depend on the condition of the financing and capital markets, our financial condition at such time and potentially governmental approval. We cannot assure you that any additional borrowing, refinancing or restructuring would be possible or that any assets could be sold or, if sold, the timing of any sale or the amount of proceeds that would be realized from any such sale. We cannot assure you that additional financing could be obtained on acceptable terms, if at all, or would be permitted under the terms of our various debt instruments then in effect, including the indentures governing the Melco Resorts Finance Notes and Studio City Notes.

In addition, any failure to make scheduled payments of interest or principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which would harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our failure to generate sufficient cash flow to satisfy our existing and projected indebtedness obligations or other liquidity needs, or to refinance our obligations on commercially acceptable terms or at all, could have a material adverse effect on our business, financial condition and results of operations.

The agreements governing our credit facilities and debt instruments contain certain covenants that restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions or otherwise take actions that may be in our best interests.

The agreements governing our credit facilities and debt instruments contain restrictions on our ability to engage in certain transactions and may limit our ability to respond to changing business and economic conditions or otherwise take actions that may be in our best interests. These restrictions include, among other things, limitations on our ability and the ability of our restricted subsidiaries or other members of our obligor group to:

- pay dividends or distributions or repurchase equity;
- make loans, payments on certain indebtedness, distributions and other restricted payments or apply revenues earned in one part of our operations to fund development costs or cover operating losses in another part of our operations;
- incur additional debt, including guarantees;
- make certain investments;
- create liens on assets to secure debt;
- enter into transactions with affiliates;
- issue shares of subsidiaries;
- enter into sale-leaseback transactions;

- engage in other businesses;
- merge or consolidate with another company;
- undergo a change of control;
- transfer, sell or otherwise dispose of assets;
- issue disqualified stock;
- create dividend and other payment restrictions affecting subsidiaries;
- designate restricted and unrestricted subsidiaries; and
- vary Melco Resorts Macau's Subconcession Contract or Melco Resorts Macau's and certain of its subsidiaries' land concessions and certain other contracts.

Certain of our credit facilities and debt instruments also require us to satisfy various financial covenants, which include requirements for minimum interest coverage ratio and leverage ratios. For more information on financial covenants we are subject to under our credit facilities and debt instruments, see note 12 to the consolidated financial statements included elsewhere in this annual report. Future indebtedness or other agreements may contain covenants more restrictive than those contained in our existing credit facilities and debt instruments.

In addition, certain of our credit facilities and debt instruments are secured by mortgages, assignment of land use rights, leases or equivalents, security over shares, charges over bank accounts, security over assets and other customary security over the assets of our Macau subsidiaries. In the event of a default under such credit facilities and debt instruments, the holders of such secured indebtedness would first be entitled to payment from their collateral security, and only then would holders of our Macau subsidiaries' unsecured debt be entitled to payment from their remaining assets.

Our ability to comply with the terms of our outstanding credit facilities and debt instruments may be affected by general economic conditions, industry conditions and other events outside of our control. As a result, we may not be able to maintain compliance with these covenants. In addition, if our properties' operations fail to generate adequate cash flow, we may breach these covenants, causing a default under our agreements, upon which creditors could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, our credit facilities and debt instruments contain cross-acceleration or cross-default provisions, as a result of which our default under one facility or instrument may cause the acceleration of repayment of debt or result in a default under our other facilities or instruments. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we do obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Drawdown or rollover of advances under our credit facilities involve satisfaction of extensive conditions precedent and our failure to satisfy such conditions precedent will result in our inability to utilize or roll over loan advances under such facilities. There is no assurance that we will be able to satisfy all conditions precedent under our current or future credit facilities.

Our current and future credit facilities, including the 2015 Credit Facilities, the 2020 Credit Facilities and the 2028 Studio City Senior Secured Credit Facility, require and will require satisfaction of extensive conditions precedent prior to the advance or rollover of loans under such facilities. If there is a breach of any terms or conditions of our credit facilities or other obligations and the breach is not cured or capable of being cured, or if we are unable to make certain representations, then such conditions precedent will not be satisfied. Our ability to satisfy such conditions precedent may also be affected by the actions of third parties and/

or matters outside of our control, such as government consents and approvals and market conditions, and thus also result in our inability to satisfy any conditions precedent. The inability to draw down or roll over loan advances under any credit facility may result in a funding shortfall in our operations and we may not be able to fulfill our obligations as planned. Such events may also result in an event of default under the respective credit facility and may also trigger cross-defaults under our other indebtedness obligations. There can be no assurance that all conditions precedent to draw down or roll over loan advances under our credit facilities will be satisfied in a timely manner or at all. If we are unable to draw down or roll over loan advances under any current or future facility, we may have to find a new group of lenders and negotiate new financing terms or consider other financing alternatives. If required, it is possible that new financing would not be available or would have to be procured on substantially less attractive terms, which could harm the economic viability of the relevant development project. The need to arrange such alternative financing would likely also delay the construction and/or operations of our future projects or existing properties, which would affect our cash flows, results of operations and financial condition.

Any inability to maintain current financing or obtain future financing could result in delays in our project development schedule and could impact our ability to generate revenues from operations at our present and future projects.

If we are unable to maintain our current financing arrangements or obtain suitable financing for our operations and our current or future projects (including any acquisitions we may make), such failure could adversely impact our existing operations, or cause delays in, or prevent completion of, the development of the remaining land for Studio City, the development of the City of Dreams Mediterranean project and any other future projects. In addition, such failure may also limit our ability to operate and expand our business and may adversely impact our ability to generate revenue. Furthermore, the costs incurred by any new financing may be greater than anticipated due to unfavorable market conditions. Any such increase in funding costs may have a negative impact on our revenue and financial condition.

Risks Relating to Our Shares and ADSs

The trading price of our ADSs has been volatile since our ADSs began trading on Nasdaq and may be subject to fluctuations in the future, which could result in substantial losses to investors.

The trading price of our ADSs has been and may continue to be subject to wide fluctuations. Our ADSs were first quoted on the Nasdaq Global Market, or Nasdaq, beginning on December 19, 2006, and were upgraded to trade on the Nasdaq Global Select Market since January 2, 2009. During the period from December 19, 2006 to March 26, 2021, the trading prices of our ADSs ranged from US$2.27 to US$45.70 per ADS and the closing sale price on March 26, 2021 was US$19.59 per ADS. The market price for our shares and ADSs may continue to be volatile and subject to wide fluctuations in response to factors, including the following:

- uncertainties or delays relating to the financing, completion and successful operation of our projects;
- developments in the Macau market, the Philippine market, the Cyprus market or other Asian or European gaming markets, including disruptions caused by widespread health epidemics or pandemics, such as the COVID-19 outbreak, and the announcement or completion of major new projects by our competitors;
- general economic, political or other factors that affect the region where our properties are located and/or the macroeconomic environment, including the COVID-19 outbreak or any other global pandemic or crisis;
- regulatory developments affecting us or our competitors;
- actual or anticipated fluctuations in our quarterly operating results;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;

- changes in performance and value of our investments, including our prior investment in Crown Resorts;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other gaming and leisure industry companies;
- changes in our market share of the Macau, Philippine and/or Cyprus gaming markets;
- detrimental adverse publicity about us, our properties or our industries;
- addition or departure of our executive officers and key personnel;
- fluctuations in the exchange rates between the U.S. dollar, H.K. dollar, Pataca, Renminbi, Euro and the Philippine peso;
- release or expiration of lock-up or other transfer restrictions on our outstanding shares or ADSs;
- sales or perceived sales of additional shares or ADSs or securities convertible or exchangeable or exercisable for shares or ADSs;
- potential litigation or regulatory investigations; and
- rumors related to any of the above, irrespective of their veracity.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. For example, in connection with the COVID-19 outbreak, securities markets across the globe have experienced significant volatility. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations. In addition, as a company listed on Nasdaq, we are subject to certain rules and requirements implemented by Nasdaq. The rules of Nasdaq impose various continued listing requirements. We cannot assure you that we can or will continually adhere to all of such requirements, including those required to maintain our listing on Nasdaq. Any failure to adhere to the applicable requirements could result in costs, penalties, administrative remedies or other consequences, any of which may result in a material adverse effect on our business, prospects, results of operations and financial condition.

We cannot assure you that we will make dividend payments in the future.

On May 14, 2020, we announced the suspension of the Company's quarterly dividend program to preserve liquidity in light of the COVID-19 pandemic and to continue investing in our business. We cannot assure you that we will resume the Company's quarterly dividend program or make any dividend payments on our shares in the future. Dividend payments will depend upon a number of factors, including the operating environment, our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by our board. Except as permitted under the Companies Act (as amended) of the Cayman Islands, and the common law of the Cayman Islands, we are not permitted to distribute dividends unless we have a profit, realized or unrealized, or a reserve set aside from profits which our directors determine is no longer needed. Our ability, or the ability of our subsidiaries, to pay dividends is further subject to restrictive covenants contained in the 2015 Credit Facilities, the 2020 Credit

Facilities, the Studio City Notes, the 2028 Studio City Senior Secured Credit Facility and other agreements governing indebtedness we and our subsidiaries may incur. Such restrictive covenants contained in the 2015 Credit Facilities and the 2020 Credit Facilities include satisfaction of certain financial tests and conditions such as continued compliance with specified interest cover, cash cover and leverage ratios. The Studio City Notes and 2028 Studio City Senior Secured Credit Facility also contain certain covenants restricting payment of dividends by Studio City Finance and its subsidiaries, respectively. For more details, see "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness."

Substantial sales or perceived sales of our shares or ADSs in the public market could cause the price of our ADSs and shares to decline.

Sales of our ADSs or shares in the public market, or the perception that these sales could occur, could cause the market price of our shares and ADSs to decline. There is no assurance that Melco International will not sell all or a part of its ownership interest in us. Any sale of their interest may be subject to volume and other restrictions, as applicable, under Rule 144 under the Securities Act of 1933, or the Securities Act. To the extent these or other shares are sold into the market, the market price of our shares and ADSs could decline. The ADSs represent interests in our shares. We would, subject to market forces, expect there to be a close correlation in the price of our ADSs and the price of the shares and any factors contributing to a decline in one market is likely to result to a similar decline in another.

In addition, Melco International has the right to cause us to register the sale of their shares under the Securities Act, subject to the terms of the registration rights agreement. Registration of these shares under the Securities Act would result in these shares becoming eligible for deposit in exchange for freely tradable ADSs without restriction under the Securities Act immediately upon the effectiveness of the registration statement. Sales of these registered shares in the public market could cause the price of our share and ADSs to decline.

Any decision by us to issue or raise further equity, which would result in dilution to existing shareholders, could cause the price of our ADSs and shares to decline.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Techniques employed by short sellers may drive down the market price of our ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies that have substantially all of their operations in Greater China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective

internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in our ADSs could be greatly reduced or even rendered worthless.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

Holders of ADSs do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying ordinary shares of the depositary and in accordance with the provisions of the deposit agreement. Advance notice of at least seven days is required for the convening of our annual general meeting and other shareholders meetings. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw ordinary shares represented by your ADSs to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ADSs. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to convene a shareholder meeting.

You may be subject to limitations on transfers of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we deem or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings, and you may not receive cash dividends if it is unlawful or impractical to make them available to you.

We may, from time to time, distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act of 1933, or the Securities Act, or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary bank will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act, or exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to

cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

In addition, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is unlawful, inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property and you will not receive such distribution.

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than that under U.S. law, you may have less protection for your shareholder rights than you would under U.S. law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (as amended) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as shareholders of a U.S. public company. For a discussion of significant differences between the provisions of the Companies Act (as amended) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Item 10. Additional Information — B. Memorandum and Articles of Association — Differences in Corporate Law.”

You may have difficulty enforcing judgments obtained against us.

We are a Cayman Islands exempted company and substantially all of our assets are located outside of the United States. All of our current operations, and administrative and corporate functions are conducted in Macau, Hong Kong, the Philippines, Cyprus and Japan. In addition, substantially all of our directors and officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these

persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in the Cayman Islands, Macau, Hong Kong, Philippines, Cyprus or Japan courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands, Macau, Hong Kong, the Philippines, Cyprus or Japan would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. In addition, it is uncertain whether such Cayman Islands, Macau, Hong Kong, the Philippine, Cyprus or Japan courts would be competent to hear original actions brought in the Cayman Islands, Macau, Hong Kong, the Philippines, Cyprus or Japan against us or such persons predicated upon the securities laws of the United States or any state.

We may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or ordinary shares.

Based on the current market price of our ADSs and ordinary shares, and the composition of our income, assets and operations, we do not believe we were a passive foreign investment company, or PFIC, for our taxable year ended December 31, 2020. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that we will not be a PFIC for any taxable year. A non-U.S. corporation will be a PFIC for any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets (generally based on a quarterly average) during such year is attributable to assets that produce passive income or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, a significant decrease in the market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. If we are a PFIC for any taxable year during which a U.S. Holder (as defined in “Item 10. Additional Information — E. Taxation — United States Federal Income Taxation”) holds an ADS or ordinary share, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. For example, such U.S. Holder may incur a significantly increased U.S. federal income tax liability on the receipt of certain distributions on our ADSs or ordinary shares or on any gain recognized from a sale or other disposition of our ADSs or ordinary shares, and will become subject to burdensome reporting requirements. See “Item 10. Additional Information — E. Taxation — United States Federal Income Taxation — Passive Foreign Investment Company.”

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Our Company was incorporated in December 2004 as an exempted company with limited liability under the Companies Act (as amended) of the Cayman Islands. Our subsidiary Melco Resorts Macau is one of six companies licensed, through concession or subconcession, to operate casinos in Macau. For more information on our corporate structure, see "— C. Organizational Structure."

In December 2006, we completed the initial public offering of our ADSs, each of which represents three ordinary shares, and listed our ADSs on the Nasdaq under the symbol "MPEL."

In May 2008, we changed our name from Melco PBL Entertainment (Macau) Limited to Melco Crown Entertainment Limited.

In January 2009, we were upgraded to trade on the Nasdaq Global Select Market.

On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City. Studio City is a large-scale cinematically-themed integrated resort developed in Macau.

On December 19, 2012, we completed the acquisition of a majority interest in the issued share capital of MRP, a company then listed on The Philippine Stock Exchange, Inc. (the "Philippine Stock Exchange"). Following the completion of our acquisition of MRP, we transferred our 100% equity interest in Melco Resorts Leisure to MRP in March 2013. Melco Resorts Leisure has been granted the exclusive right to manage, operate and control our Philippines integrated casino resort project, City of Dreams Manila.

In May 2016, we repurchased 155 million ordinary shares from Crown Asia Investments Pty, Ltd.. Following completion of the repurchase with cancelation of such shares and certain changes in the composition of our board of directors, Melco International became our single largest shareholder and we were thereafter treated as a subsidiary of Melco International.

In February 2017, the privately-negotiated sale by Crown Asia Investments Pty, Ltd. to Melco Leisure, through which Melco Leisure purchased 198,000,000 of our ordinary shares from Crown Asia Investments Pty, Ltd., closed and Melco International became our sole majority shareholder.

In March 2017, our name change from Melco Crown Entertainment Limited to Melco Resorts & Entertainment Limited became effective.

In April 2017, our Nasdaq ticker symbol changed from "MPEL" to "MLCO."

In May 2017, we issued and sold 27,769,248 ADSs (equivalent to 83,307,744 ordinary shares) and 81,995,799 ordinary shares and also repurchased 165,303,544 ordinary shares from Crown Asia Investments Pty, Ltd. for the aggregate purchase price of US$1.2 billion, and such repurchased shares were subsequently canceled by us.

In October 2018, SCI completed its initial public offering of 28,750,000 SC ADSs (equivalent to 115,000,000 Class A ordinary shares of SCI), of which 15,330,000 SC ADSs were purchased by our subsidiary, MCO Cotai Investments Limited. In November 2018, the underwriters exercised their over-allotment option in full to purchase an additional 4,312,500 SC ADSs from SCI. After giving effect to the exercise of the over-allotment option, the total number of SC ADSs sold in the Studio City IPO was 33,062,500 SC ADSs, which raised net proceeds of approximately US$406.7 million from the SC ADSs sold in the Studio City IPO and aggregate gross proceeds of approximately US$2.5 million from the concurrent private placement to Melco

International in connection with Melco International's "assured entitlement" distribution to its shareholders, after deducting underwriting discounts and commissions and a structuring fee, but before deducting offering expenses payable by SCI.

In December 2018, we completed the voluntary tender offer to acquire a total of 1,338,477,668 common shares of MRP from other minority shareholders of MRP and, together with an additional 107,475,300 shares acquired on or after December 6, 2018, increased our equity interest in MRP from approximately 72.8% immediately prior to the announcement of the tender offer to approximately 97.9% on December 13, 2018. MRP was involuntarily delisted from the Philippine Stock Exchange in June 2019 as its public ownership has fallen below the minimum requirement of the Philippine Stock Exchange for more than six months.

In June 2019, we acquired an approximately 9.99% ownership interest in Crown Resorts and in April 2020, we sold the entire equity interest to a third party and ceased to be a shareholder of Crown Resorts.

On July 31, 2019, we acquired a 75% equity interest in ICR Cyprus, whose subsidiaries are currently operating a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos, as well as developing City of Dreams Mediterranean.

For a description of our principal capital expenditures for the years ended December 31, 2020, 2019 and 2018, see "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources."

Our principal executive offices are located at 36th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. Our telephone number at this address is 852-2598-3600 and our fax number is 852-2537-3618. Our website is www.melco-resorts.com. The information contained on our website is not part of this annual report on Form 20-F.

The SEC maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

B. BUSINESS OVERVIEW

Overview

We are a developer, owner and operator of integrated resort facilities in Asia and Europe. We currently have three major casino-based operations in Macau, namely, City of Dreams, Altira Macau and Studio City, and non-casino based operations in Macau at our Mocha Clubs. In June 2018, we opened Morpheus, the third phase of City of Dreams in Cotai, Macau. With 1.0 million square feet of hotel space and 0.3 million square feet of podium space, Morpheus houses approximately 770 rooms, suites and villas. In Macau, we are also developing the remaining project for the land of Studio City. We also have a casino-based operation in the Philippines, City of Dreams Manila. In 2019, we expanded our footprint outside of Asia and into Europe following our acquisition of a 75% equity interest in ICR Cyprus, which owns the City of Dreams Mediterranean development and operates other casinos in Cyprus.

Our current and future operations are designed to cater to a broad spectrum of gaming patrons, from high-stakes rolling chip gaming patrons to gaming patrons seeking a broader entertainment experience. We currently own and operate five Forbes Travel Guide Five-Star hotels in Asia — Altira Macau, Studio City's Star Tower, Morpheus and Nüwa in both Macau and Manila — and received 17 Forbes Travel Guide Five-Star and three Forbes Travel Guide Four-Star recognitions across our properties in 2021. We seek to attract patrons throughout Asia, Europe and, in particular, from Greater China.

In the Philippines, Melco Resorts Leisure, a subsidiary of MRP, currently operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila.

In Cyprus, Integrated Casino Resorts, a wholly-owned subsidiary of ICR Cyprus, currently operates and manages our Cyprus casinos.

We received the "Integrated Resort of the Year" award at the International Gaming Awards in 2020, and we also received the "Gaming Operator of the Year, Australia & Asia" award and the "Socially Responsible Operator of the Year" award in 2018 and 2019, respectively. In 2020, we were honored with the "Community Award — Asia" at the 2020 Industry Community Award. We were named "2019 Best First Time Performer" by the global environmental disclosure organization CDP and received an A- score from CDP, attaining one of the highest ratings among companies in the Greater China region that publish environmental disclosure. We also garnered the "Best Environmental Responsibility" award for eight consecutive years and the first "Asia's Best CSR" award at the Asian Excellence Awards 2020 by Corporate Governance Asia magazine. In 2019, we received the "Best Corporate Social Responsibility Contribution" award at Global Gaming Expo (G2E) Asia Awards.

We generated a significant majority of the total revenues for each of the years ended December 31, 2020, 2019 and 2018 from our operations in Macau, the principal market in which we compete. For further information on the Macau gaming market, see "— Market and Competition — Macau Gaming Market."

Our Major Existing Operations

City of Dreams

City of Dreams is an integrated resort in Cotai, Macau, which opened in June 2009. City of Dreams is a premium-focused property, targeting high-end customers and rolling chip players from regional markets across Asia. In 2019, City of Dreams had an average of approximately 516 gaming tables and approximately 822 gaming machines. In January 2019, the Macau government authorized Melco Resorts Macau to operate 40 additional gaming tables at City of Dreams. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, City of Dreams had an average of approximately 496 gaming tables and approximately 487 gaming machines.

The resort brings together a collection of brands to create an experience that appeals to a broad spectrum of visitors from around Asia. Morpheus offers approximately 770 rooms, suites and villas. Nüwa, which was under renovation since early 2020 and recently re-opened at the end of March 2021, and The Countdown each offers approximately 300 guest rooms and the Grand Hyatt Macau hotel offers approximately 800 guest rooms. In addition, City of Dreams includes approximately 25 restaurants and bars, approximately 165 retail outlets, a wet stage performance theater, recreation and leisure facilities, including health and fitness clubs, three swimming pools, spas and salons and banquet and meeting facilities. The Club Cubic nightclub offers approximately 2,395 square meters (equivalent to approximately 25,780 square feet) of live entertainment space. SOHO, a lifestyle entertainment and dining precinct located on the second floor of City of Dreams, offers customers a wide selection of food and beverage and other non-gaming offerings. The opening of Morpheus in June 2018 provides an additional pool, spa and salon, fitness club, executive lounge and four restaurants. The wet stage performance theater with approximately 2,000 seats features The House of Dancing Water (temporarily closed since late June 2020) created by Franco Dragone. We are also closing The Countdown for renovations as part of its rebranding.

Due to its outstanding customer service and diverse range of unique world-class entertainment experiences, City of Dreams has garnered numerous awards in the prestigious International Gaming Awards over the years. City of Dreams was honored as "Casino VIP Room of the Year" in 2014, "Integrated Resort of the Year" in 2013, "Customer Experience of the Year" in 2012 and received "Casino VIP Room" and "Casino Interior Design" awards in 2011. It also received the "Best Leisure Development in Asia Pacific" award in the International Property Awards in 2010, which recognizes distinctive innovation and outstanding success in

leisure development. City of Dreams' Nüwa (then branded as Crown Towers) was the first hotel brand in Macau to receive the Forbes Travel Guide Five-Star recognition for its hotel, spa and every restaurant in January 2014. It was recognized as a Forbes Travel Guide Five-Star hotel for the ninth consecutive year in 2021, and its spa and the Cantonese culinary masterpiece, Jade Dragon, were awarded Forbes Travel Guide Five-Star recognition as well. Nüwa and Nüwa Spa were also named one of the "2018 World's Most Luxurious Hotels" and "2018 World's Most Luxurious Spas" by Forbes Travel Guide, respectively. In addition, the renowned Cantonese culinary masterpiece Jade Dragon maintained its three-star Michelin rating for the third consecutive year in the Michelin Guide Hong Kong Macau 2021. It was included in the 2019 list of Asia's 50 Best Restaurants, a gastronomic guide judged by Asia's 50 Best Restaurants Academy, for the third consecutive year. The ultimate French culinary experience provided by Alain Ducasse at Morpheus enabled it to receive Forbes Travel Guide Five-Star recognition for the second year in 2021 and attained two Michelin stars in the Michelin Guide Hong Kong Macau 2021 for the third year running. Moreover, Yi at Morpheus was honored with Forbes Travel Guide Five-Star recognition for the second year in 2021, and was recommended by Michelin Guide Hong Kong Macau 2021. It has also been included in the list of The Top 20 Best Restaurants in Hong Kong and Macau 2019 by Hong Kong Tatler.

Morpheus has earned numerous global acclaims since its grand opening in June 2018. Morpheus was honored as the world's first establishment to attain Forbes Travel Guide Five-Star recognition across its entire hotel, spa and dining facilities, approximately a year after its grand opening. In 2021, Morpheus and its spa were awarded Forbes Travel Guide Five-Star recognitions for the second year. In 2020, the Morpheus Spa won the Forbes Spa of the Year Award, attaining the highest score among the world's most outstanding spa establishments. In addition, both Morpheus and Nüwa, achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification, recognizing their commitment to creating a culture of accountability and following global best practices to heighten health security. Morpheus was named 'Best New Hotel in Macao' by the 13th Annual TTG China Travel Awards 2020 and garnered an International Hotel & Property Award 2020 as winner of the Hotel Over 200 Rooms, Asia Pacific category. Morpheus was the first in Macau to win an architecture and design accolade at Prix Versailles 2019 for Central and Northeast Asia in the Hotels category, and was the winner of the Design Den category in the Big Sleep Awards 2019 by National Geographic Traveller (UK) magazine. It has been named "Building of the Year Award" in the Hospitality Architecture Category by ArchDaily, the world's most visited architecture website, and was honored "Best Hotel Architecture Macau" and "Best New Hotel Construction & Design Macau" at the Asia Pacific Property Awards in 2019. In 2018, Morpheus was hailed as one of the "World's Greatest Places" in 2018 by TIME magazine, as the only Macau entry on the list. It has also won the Most Valuable Brand Gold Award in the 2018 Business Awards of Macau.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, features the internationally acclaimed and award winning water-based extravaganza, The House of Dancing Water. The House of Dancing Water is the live entertainment centerpiece of the overall leisure and entertainment offering at City of Dreams and highlights City of Dreams as an innovative entertainment-focused destination, strengthening the overall diversity of Macau as a multi-day stay market and one of Asia's premier leisure and entertainment destinations. The House of Dancing Water incorporates costumes, sets and audio-visual special effects and showcases an international cast of performance artists. The HK$2.0 billion world-class production was honored by the Global Gaming Expo (G2E) Asia Awards 2019 for Best Integrated Resorts Non-Gaming Attraction. In addition, it received the 2019 Certificate of Excellence and the 2019 Hall of Fame from Trip Advisor for its consistent achievement of high ratings from travelers, and was awarded the Excellence Award as the "Most Valuable Brand Award" by Business Awards of Macau in 2015. The show also garnered the "Culture, Entertainment & Sporting Events Award" in the Effie China Awards in 2012 and the prestigious "International THEA Award for Outstanding Achievement" from the Themed Entertainment Association and was named the "Best Entertainment of Macau" in the 2011 Hurun Report. The House of Dancing Water has been temporarily closed since late June 2020.

Altira Macau

Altira Macau is designed to provide a casino and hotel experience that caters to Asian rolling chip customers and players sourced primarily through gaming promoters. In 2019, Altira Macau had an average of approximately 103 gaming tables and 178 gaming machines operated as a Mocha Club at Altira Macau. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Altira Macau had an average of approximately 97 gaming tables and 110 gaming machines operated as a Mocha Club at Altira Macau. Altira Macau's multi-floor layout comprises primarily designated gaming areas and private gaming rooms for rolling chip players, together with a general gaming area for the mass market that offers various table limits to cater to a wide range of mass market patrons. Our multi-floor layout allows us the flexibility to reconfigure Altira Macau's gaming areas to meet the changing demands of our patrons and target specific customer segments.

We consider Altira hotel, located within the 38-story Altira Macau, to be one of the leading hotels in Macau as evidenced by its long-standing Forbes Travel Guide Five-Star recognition. The top floor of the Altira hotel serves as the hotel lobby and reception area, providing guests with views of the surrounding area. The Altira hotel comprises approximately 230 guest rooms, including suites and villas, as of December 31, 2020. A number of restaurants and dining facilities are available at Altira Macau, including a leading Italian restaurant, Aurora, several Chinese and international restaurants and several bars. Altira hotel also offers several non-gaming amenities, including a spa, gymnasium, outdoor garden podium and sky terrace lounge. In 2020, Altira Macau achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification.

Altira Macau offers a luxurious hotel experience with its internationally acclaimed accommodation and guest services. It has been awarded Forbes Travel Guide Five-Star recognition in lodging and spa categories by Forbes Travel Guide for 12 consecutive years in 2021. It was also named one of the "World's Most Luxurious Hotels" by Forbes Travel Guide in 2018. Altira Spa was selected as the Country Winner in the "Luxury Wellness Spa" category at the World Luxury Spa Awards in 2018 and 2020. It was also honored as the Regional Winner in the "Luxury Urban Escape" category in 2019, the Regional Winner in the "Luxury Fitness Spa" category in 2018 and the Global Winner in the "Best Luxury Fitness Spa" category in 2014. Altira Macau's swimming pool was named by US Forbes Traveler as one of the ten best hotel pools in the world and one of eight outstanding indoor hotel pools by CNN.com.

Altira Macau houses several award-winning restaurants. Its Italian restaurant Aurora has earned Forbes Travel Guide Five-Star recognition for the eighth consecutive year in 2021, while its Japanese tempura specialist Tenmasa has also received Forbes Travel Guide Five-Star recognition for the seventh consecutive year in 2021 and was recommended by Michelin Guide Hong Kong Macau 2021. Its Cantonese restaurant, Ying, was honored the Forbes Travel Guide Five-Star recognition for the second consecutive year in 2021 and was awarded a Michelin star in the Michelin Guide Hong Kong Macau 2021 for the fifth consecutive year. In addition, Aurora, Tenmasa and Ying were winners of the "Best of Award Excellence of Wine Spectator" since 2015.

In recognition of their outstanding service and service management, Ying and Tenmasa also respectively received the Service Star Award in the "Deluxe Restaurant" and "First Class Restaurant" categories in the "Quality Tourism Services Accreditation Scheme 2017" organized by the Macau Government Tourism Office.

Studio City

Studio City is a large-scale cinematically-themed integrated resort which opened in October 2015. In 2019, Studio City had an average of approximately 293 gaming tables and 947 gaming machines. The gaming operations of Studio City are focused on the mass market and target all ranges of mass market patrons. While Studio City focuses on the mass market segment for gaming, VIP rolling chip operations, including both junket and premium direct VIP offerings, were introduced at Studio City in early November 2016 and a VIP rolling chip

area has been built at Studio City with up to 45 VIP tables authorized for VIP rolling chip operations as of December 31, 2020. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Studio City Casino had an average of approximately 282 gaming tables and 586 gaming machines in operation. Such VIP rolling chip operations are operated by us, through Melco Resorts Macau. In December 2020, Studio City announced that Melco Resorts Macau would continue VIP rolling chip operations at the Studio City Casino until December 31, 2021, subject to early termination with 30 days' prior notice. Studio City also includes luxury hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers. Designed to focus on the mass market segment, Studio City offers cinematically-themed, unique and innovative interactive attractions, including the world's first figure-8 and Asia's highest Ferris wheel, a Batman flying theater ride, a deluxe night club and karaoke and a 5,000-seat multi-purpose live performance arena, as well as approximately 1,600 luxury hotel rooms, various food and beverage outlets and approximately 25,000 square meters of themed and complementary retail space.

In recognition of Studio City's facilities, games, customer service, atmosphere, style and design, Studio City was awarded the International Five Star Standard, Best Large Hotel Macau, Best City Hotel Macau, Best Resort Hotel Macau and Best Convention Hotel Macau in the International Hotel Awards 2017-18. In addition, Studio City was the Global Winner in the "Luxury Casino Hotel" category and the Regional Winner (East Asia) in the "Luxury Family Hotel" category of the 2017 World Luxury Hotel Awards. The property was also awarded the "Casino/Integrated Resort of the Year" in the International Gaming Awards in 2016 and honored as "Asia's Leading New Resort" in World Travel Awards in 2016. Studio City's Star Tower received the Forbes Travel Guide Five-Star recognition for the fourth consecutive year in 2021 and achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification in 2020. Zensa Spa was awarded the Forbes Travel Guide Five-Star recognition for the third time in 2021 and was named "World's Most Luxurious Spa" by the Guide in 2018. Studio City's signature Cantonese restaurant, *Pearl Dragon*, received its third Forbes Travel Guide Five-Star recognition in 2021 and was selected as a Regional Winner in the "Chinese Cuisine" category at the 2020 World Luxury Restaurant Award. It received one-Michelin-starred establishment rank for the fifth consecutive year in the Michelin Guide Hong Kong Macau 2021, while Bi Ying has been once again been recommended in the guidebook.

In addition to its diverse range of gaming and non-gaming offerings, Studio City is strategically located in the fast growing Cotai region of Macau, as one of the few dedicated Cotai hotel-casino resort stops on the Macau Light Rapid Transit Line, with an access bridge leading to Studio City.

We are currently developing the remaining land for Studio City. Our plan for the remaining project may be subject to further revision and change and detailed design elements remain subject to further refinement and development. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations —We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by May 31, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land," "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — All our current and future construction projects are and will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects," and "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We could encounter substantial cost increases or delays in the development of our projects, which could prevent or delay the opening of such projects."

Our subsidiary Melco Resorts Macau operates the gaming areas of Studio City pursuant to a services agreement it entered into in May 2007, as amended in June 2012, with Studio City Entertainment Limited, together with other agreements or arrangements entered into between the parties from time to time, which may

amend, supplement or relate to the aforementioned agreement. Melco Resorts Macau is reimbursed for the costs incurred in connection with its operation of Studio City's gaming areas.

Mocha Clubs

Mocha Clubs comprise the largest non-casino based operations of electronic gaming machines in Macau. In 2019, Mocha Clubs had eight clubs with an average of approximately 1,478 gaming machines in operation (including approximately 178 gaming machines at Altira Macau). In 2020, excluding gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Mocha Clubs had eight clubs with an average of approximately 870 gaming machines in operation (including approximately 110 gaming machines at Altira Macau). According to the DICJ, there was a total of 8,906 slot machines in the Macau market as of December 31, 2020. Mocha Clubs focus on general mass market players, including day trip customers, outside the conventional casino setting. We operate Mocha Clubs at leased or sub-leased premises or under right-to-use agreements.

The Mocha Club gaming facilities include what we believe is the latest technology for gaming machines and offer both electronic gaming machines, including stand-alone machines, stand-alone progressive jackpot machines and linked progressive jackpot machines with a variety of games, and electronic table games which feature fully-automated multi-player machines with roulette, baccarat and sic-bo, a traditional Chinese dice game.

City of Dreams Manila

City of Dreams Manila is one of the leading integrated tourism resorts in the Philippines. The property is located on an approximately 6.2-hectare site at the gateway of Entertainment City, Manila, close to Metro Manila's international airport and central business district. City of Dreams Manila opened in December 2014 and represented our first entry into an entertainment and gaming market outside of Macau and an incremental source of earnings and cash flow outside of Macau.

The property's total gross floor area is approximately 300,100 square meters (equivalent to approximately 3.2 million square feet). We are authorized by PAGCOR to operate up to approximately 2,300 slot machines, 1,200 electronic gaming tables and 380 gaming tables. In 2019, City of Dreams Manila had an average of approximately 2,265 gaming machines and 311 gaming tables. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, City of Dreams Manila had an average of approximately 2,262 gaming machines and 302 gaming tables.

City of Dreams Manila has three hotels: Nüwa Manila, Nobu Manila and Hyatt Regency, City of Dreams Manila, with approximately 950 rooms in aggregate. Exciting entertainment venues characterize the luxurious integrated resort: DreamPlay, a DreamWorks Animation inspired interactive play space, which officially opened in June 2015; CenterPlay, a live performance central lounge within the casino; The Garage, featuring a VR Zone with top-of-class Virtual Reality technology by Bandai Namco Entertainment, situated inside a food park comprised of curated roster of food and beverage trucks and trailers set in a contemporary, air-conditioned space; and K-Golf, an indoor golf simulator with state of the art technology that brings some of the most popular golf courses around the world in 3D graphics. The operations of DreamPlay, The Garage and K-Golf have been temporarily suspended since around March 2020 in observance of government-mandated COVID-19 health and safety protocols. City of Dreams Manila also features The Shops at the Boulevard, a retail strip interspersed with food and beverage outlets to provide customers with a broad range of shopping and dining opportunities.

City of Dreams Manila is the first integrated resort in the country to harness solar energy. City of Dreams Manila has also been recognized for its efforts to tackle climate change and its employee development in

the 2019 Sustainable Business Awards (SBA) Philippines presented to Melco. Internationally, three colleagues received awards in 2017 and 2019 at the BMW Hotelier Awards, now known as the Stelliers Awards. Three talented young chefs also received the silver award at the 2019 FHC China International Young Chefs Challenge.

The integrated resort has been conferred with various distinctions for exemplary performance by the Parañaque City government and in the civic and business circles for its contributions to business, creation of jobs and promotion of Philippine's tourism. For its philanthropy, the Philippine Red Cross has presented City of Dreams with a Platinum Award for its colleagues' continuing blood donations. Globally, the resort was cited in 2017 as one of the "23 Fanciest Casinos in the World" in townandcountry.com and in 2015 as "Casino/Integrated Resort of the Year" at the 8th International Gaming Awards.

Creating exceptional experiences for guests with its warm hospitality, impressive dining options and luxurious spaces, City of Dreams Manila's three luxury hotel brands have garnered Forbes Travel Guide Star Awards. Nüwa Manila has been consistently recognized with Forbes Travel Guide Five-Star for four years running since 2018 and was also named as one of Forbes Travel Guide Verified List of 2018 World's Most Luxurious Hotels. Nobu Manila and Hyatt Regency, City of Dreams Manila have also been recognized with Forbes Travel Guide Four-Star for four consecutive years. Nüwa Spa has set a milestone as the first and only spa in the country to be awarded Five-Star, for two years in a row since 2020.

Nüwa Manila is also among the first hotels in the world in 2020 to become Sharecare Health Security VERIFIED® with Forbes Travel Guide for its compliance with expert validated best practices on health and safety protocols.

TripAdvisor likewise listed the three hotels, namely Nüwa Manila, Nobu Manila and Hyatt Regency, City of Dreams Manila, in the 2020 and 2019 Traveler's Choice Award, and in 2016 in the "Top 25 Luxury Hotels in the Philippines Travelers Choice Awards." Hotels.com recognized Nobu Manila as one of the "Loved by Guests" Award winners in 2020 and 2021. Hyatt Regency, City of Dreams Manila was given the same award in 2020. In 2021, Booking.com cited the three luxury hotels with Traveler Review Awards.

Nüwa Manila (then named Crown Towers) also received the 2016 International Hotel and Property Award for "Best Lobby/Public Area/Lounge" in the Global category, and "Best Hotel Design in Asia Pacific" in the over-200 Rooms category, by Design et al, an international design magazine in Italy.

With numerous dining outlets located on property, signature restaurants and other dining outlets have maintained the prestige of being recognized in prominent luxury magazines' best restaurants list. Crystal Dragon restaurant was awarded for the fourth time as one of the Top 20 restaurants among approximately 200 listed in the Philippine Tatler's Best Restaurants Guide 2020. Nobu Manila and Red Ginger are consistently on the coveted list along with Ruby Jack's Steakhouse and Bar. Town and Country Philippines, in its annual Fabulous Dine Around Best Restaurants for food connoisseurs and influencers in 2017 and 2018, recognized Nobu Manila and Crystal Dragon in its roster of select restaurants that it considered the best to offer an exclusive dining experience. Nobu Manila was also commended in 2017 as "One of the 7 Premier Restaurants Putting Manila in the World's Gastronomic Map" in the online edition of Conde Nast Traveler.

Melco Resorts Leisure operates the casino business of City of Dreams Manila in accordance with the terms of the Philippine License and the operating agreement between Melco Resorts Leisure and the Philippine Parties dated March 13, 2013. Under the operating agreement, PremiumLeisure and Amusement, Inc. (a member of the Philippine Parties) has the right to receive monthly payments from Melco Resorts Leisure, based on the performance of gaming operations of City of Dreams Manila, and Melco Resorts Leisure has the right to retain all revenues from non-gaming operations of City of Dreams Manila. The operating agreement was recently amended on March 22, 2021 where the monthly payments paid or payable by Melco Resorts Leisure from 2019 to 2022 have been adjusted to recognize the suspension of operations of City of Dreams Manila in 2020 due to the COVID-19 pandemic and the related disruptions to its operations since the COVID-19 outbreak.

Having met the minimum investment levels and other requirements under our Provisional License, the Philippine License dated April 29, 2015 was issued by PAGCOR to the Philippine Licensees. The Philippine License has the same terms and conditions as the Provisional License and is valid until July 11, 2033.

For a breakdown of total revenues by category of activity and geographic market for each of the last three financial years, see "Item 5. Operating and Financial Review and Prospects — A. Operating Results."

Cyprus Operations

We currently operate and manage a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos in Cyprus. Our satellite casino in Larnaca, which opened in 2018, ceased operations in June 2020. The temporary casino, with a gaming area of approximately 4,600 square meters (equivalent to approximately 49,500 square feet), was the first licensed casino in Cyprus when it opened in June 2018. We are also developing City of Dreams Mediterranean, an integrated resort project in Cyprus which, upon opening, is expected to be the largest and premier integrated resort in Europe. We expect to (and are required to, pursuant to the terms of the Cyprus License) cease operations of the temporary casino when the City of Dreams Mediterranean project is launched while the satellite casinos are expected to continue to operate. Our operations in Cyprus represent our first entry into an entertainment and gaming market in Europe. Under the terms of the Cyprus License, we have been granted the right to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant on June 26, 2017 and with the right for exclusivity in Cyprus for the first 15 years of the term. In 2019, our facilities in Cyprus had an average of approximately 38 gaming tables and 388 gaming machines. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, our facilities in Cyprus had an average of approximately 28 gaming tables and 336 gaming machines.

We acquired a 75% equity interest in ICR Cyprus from Melco International, our parent company, in July 2019. The remaining 25% equity interest in ICR Cyprus is owned by The Cyprus Phassouri (Zakaki) Limited. On July 31, 2019, we entered into a shareholders' agreement with The Cyprus Phassouri (Zakaki) Limited regarding certain commercial and financial arrangements pursuant to which we will, as more fully set out in additional management and service contracts, (i) provide certain corporate-level management services to ICR Cyprus and its subsidiaries for a fixed amount of EUR2 million per annum and (ii) have the right to receive an allotment of preference shares in the gaming license-holding subsidiary of ICR Cyprus which will provide the right to a preferential dividend, among other terms.

Our Development Projects

We are developing the remaining project of Studio City, which is currently expected to consist of two hotel towers with a total of approximately 900 rooms and suites and a gaming area. In addition, we currently envision the remaining project to also contain a waterpark with indoor and outdoor areas. Other non-gaming attractions expected to be part of the remaining project include MICE space, retail and food and beverage outlets and a cineplex. As of December 31, 2020, we had incurred approximately US$256.2 million aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning costs and construction costs. Based on our current plan for the remaining project, we currently expect a project budget of approximately US$1.25 billion to US$1.30 billion for the development of the remaining project (exclusive of any pre-opening costs and financing costs). Such development for the remaining project of Studio City may be funded through various sources, including cash on hand, operating free cash flow as well as debt and/or equity financing. With the disruptions from the COVID-19 outbreak, the construction period has been delayed and is expected to extend beyond the estimated approximately 32 months and the current development period. The extension of the development period of the remaining project for Studio City is subject to Macau government review and approval at its discretion. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our

Business and Operations —We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by May 31, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land."

In Cyprus, we are also developing the City of Dreams Mediterranean project. Under our current plan, the project is expected to consist of a five-star hotel tower with more than 500 luxury hotel rooms, approximately 10,000 square meters of MICE space, an outdoor amphitheater, a family adventure park and a variety of fine-dining outlets and luxury retail. As of December 31, 2020, we have incurred approximately US$208 million of aggregate costs (including the land cost) relating to the development of City of Dreams Mediterranean, primarily related to the initial design and construction cost. Based on our current plan for the development of City of Dreams Mediterranean integrated resorts project, we currently expect a project budget of approximately US$550 million to US$600 million (inclusive of the land cost but exclusive of any pre-opening costs and financing costs). Following the extension granted by the government of Cyprus, we are required under the Cyprus License to open the integrated casino resort by September 30, 2022 and, subject to fulfilling all conditions under the Cyprus License and obtaining all requisite regulatory approvals, we currently expect to open the City of Dreams Mediterranean during the summer of 2022. The development of City of Dreams Mediterranean may be funded through various sources, including equity, cash on hand, operating free cash flow as well as other financing, including by way of shareholder loans and external debt financings. Under the shareholders' agreement entered into between us and The Cyprus Phassouri (Zakaki) Limited regarding ICR Cyprus, the shareholders are obligated to use all commercially reasonable endeavours, subject to certain terms and conditions, to source debt financing of up to EUR437 million (equivalent to approximately US$534 million) for the development of City of Dreams Mediterranean. To the extent there is a shortfall in the amount of third-party debt available (or available on commercially-acceptable terms), we are obligated to fund the shortfall up to the full amount of EUR437 million (equivalent to approximately US$534 million) on terms which are, subject to certain terms and conditions, no less favorable to the project than any commercially-acceptable terms available in the commercial lending market. In connection therewith, a shareholder loan agreement for up to EUR275 million (equivalent to approximately US$336 million) was entered into by a subsidiary of the Company as lender, and Integrated Casino Resorts as borrower in March 2020. Our plan for the City of Dreams Mediterranean project may be subject to further revision and change and detailed design elements remain subject to further refinement and development. The completion of the City of Dreams Mediterranean project is also subject to a number of contingencies, including any disruptions resulting from the COVID-19 outbreak. For example, construction work at our City of Dreams Mediterranean project was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak. With the disruptions from the COVID-19 outbreak, including the above-mentioned suspension of construction work, we have applied for, and the government of Cyprus has granted, an extension of the relevant period to September 30, 2022. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Cyprus — Our operations in Cyprus, particularly the development of City of Dreams Mediterranean, face significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations" and "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We are developing the City of Dreams Mediterranean project in Cyprus and we are required under the Cyprus License to open the integrated casino resort by September 30, 2022. If we do not open City of Dreams Mediterranean by that time and the government of Cyprus does not grant us an extension of the opening date, we would be required to pay a penalty to the Cyprus government or even have the Cyprus License terminated if such delay continues beyond a grace period."

Further, we continually seek new opportunities for additional gaming or related businesses in Macau and in other countries and will continue to target the development of a project pipeline in order to expand our footprint in countries which offer legalized casino gaming, including Japan, where we have a strong interest in developing integrated resorts. In defining and setting the timing, form and structure for any future development,

we focus on evaluating alternative available financing, market conditions and market demand. In order to pursue these opportunities and such development, we have incurred and will continue to incur capital expenditures at our properties and for our projects.

Our Land and Premises

We operate our gaming business at our operating properties in Macau in accordance with the terms and conditions of our gaming subconcession. In addition, our existing operating properties and development projects in Macau are subject to the terms and conditions of land concession contracts. See "— Regulations — Macau Regulations — Land Regulations." Through MRP, we also operate our gaming business in the Philippines through the Philippine License issued by PAGCOR on a property which Melco Resorts Leisure leases from Belle Corporation under the Lease Agreement.

City of Dreams

City of Dreams is located in Cotai, Macau, with a land area of 113,325 square meters (equivalent to approximately 1.2 million square feet). In August 2008, the Macau government granted the land on which City of Dreams is located to COD Resorts and Melco Resorts Macau for a period of 25 years, renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. Total land premium required for the land is in the amount of approximately MOP1,286.6 million (equivalent to approximately US$160 million), which was paid in full in January 2016. The total gross floor area at City of Dreams is 692,619 square meters (equivalent to approximately 7.5 million square feet).

Under the current terms of the land concession, the annual government land use fees payable during the development are approximately MOP9.5 million (equivalent to approximately US$1.2 million) and the annual government land use fees payable after completion of development are approximately MOP9.9 million (equivalent to approximately US$1.2 million). The government land use fee amounts may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

The equipment utilized by City of Dreams in the casino and hotel is owned by us and held for use at City of Dreams, including the main gaming equipment and software to support its table games and gaming machine operations, cage equipment, security and surveillance equipment, casino and hotel furniture, fittings and equipment.

Altira Macau

Altira Macau is located in Taipa, Macau with a land area of approximately 5,230 square meters (equivalent to approximately 56,295 square feet) under a 25-year land lease agreement with the Macau government that is renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. In March 2006, the Macau government granted the land on which Altira Macau is located to Altira Resorts. The land grant was amended in December 2013. The total gross floor area of Altira Macau is approximately 104,000 square meters (equivalent to approximately 1,119,000 square feet). Total land premium required is in the amount of MOP169.3 million (equivalent to approximately US$21 million) which was paid in full in 2013. According to the current terms of the land concession, the annual government land use fees payable are approximately MOP1.5 million (equivalent to approximately US$190,000). This amount may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

The equipment utilized by Altira Macau in the casino and hotel is owned by us and held for use at Altira Macau, including the main gaming equipment and software, to support its table games and gaming machine operations, cage equipment, security and surveillance equipment and casino, hotel furniture, fittings and equipment.

Mocha Clubs

Mocha Clubs operate at premises with a total floor area of approximately 133,700 square feet at the following locations in Macau:

Mocha Club	Opening Month	Location	Total Floor Area (In square feet)
Royal	September 2003	G/F and 1/F of Hotel Royal	19,000
Grand Dragon	January 2005	G/F, 1/F and 2/F of Grand Dragon Hotel	26,500
Sintra	November 2005	G/F and 1/F of Hotel Sintra	11,000
Macau Tower	September 2011	LG/F and G/F of Macau Tower	19,600
Golden Dragon	January 2012	G/F, 1/F and 2/F of Hotel Golden Dragon	20,500
Inner Harbor	December 2013	No 286-312 Seaside New Street	12,800
Kuong Fat	June 2014	Macau, Rua de Pequim No. 174., Centro Comercial Kuong Fat Cave A	13,800
Mocha Altira	November 2017	Avenida De Kwong Tung, No. 786, 798, 816 e 840, Taipa, Macau	10,500
Total			**133,700**

Premises are being operated under leases, subleases or right to use agreements that expire at various dates through October 2022, which are renewable upon reaching agreements with the owners.

In addition to leasehold improvements to Mocha Club premises, the onsite equipment utilized at the Mocha Clubs is owned and held for use to support the gaming machine operations.

Studio City

Studio City is located in Cotai, Macau and has a land area of 130,789 square meters (equivalent to approximately 1.4 million square feet) held under a 25-year land lease agreement with the Macau government that is renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. In October 2001, the Macau government granted the land on which Studio City is located to Studio City Developments Limited, which is a company incorporated in Macau with limited liability and which is also an indirect subsidiary of SCI. The Studio City land concession contract was amended in July 2012 and September 2015 to permit Studio City Developments Limited to build a complex comprising a four-star hotel, a facility for cinematographic industry, including supporting facilities for entertainment and tourism, parking and free area.

The gross construction area of the Studio City site is approximately 707,078 square meters (equivalent to approximately 7.6 million square feet). Currently, the gross floor area of Studio City is approximately 457,462 square meters (equivalent to approximately 4.9 million square feet). The land premium of approximately MOP1,402.0 million (equivalent to approximately US$175 million) was paid in full in January 2015. In November 2019, the development period under the Studio City land concession was extended to May 31, 2022. Government land use fees of approximately MOP3.9 million (equivalent to approximately US$490,000) per annum are payable during the development stage. The annual government land use fees payable after completion of development will be MOP9.1 million (equivalent to approximately US$1.1 million). The amounts may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

As part of the security provided in relation to the Studio City Company Notes and the 2021 Studio City Senior Secured Credit Facility, we assigned certain leases and right to use agreements and granted a mortgage over our rights under the Studio City land concession. Such security remains in place under the 2028 Studio City Senior Secured Credit Facility.

City of Dreams Manila

The City of Dreams Manila site is located on reclaimed land ("Project Reclaimed Land"). The Project Reclaimed Land was originally acquired by an entity known as R 1 Consortium from the Philippine Public Estates Authority. This acquisition occurred in 1995 as part of the R 1 Consortium's compensation for the construction of the Philippine Public Estates Authority's Manila-Cavite Coastal Road project. In the same year, R 1 Consortium conveyed all its interest to the Project Reclaimed Land in favor of two entities which later merged with Belle Bay City Corporation, which is 34.9% owned by Belle Corporation, one of the Philippine Parties, with Belle Bay City Corporation becoming the surviving entity and owner of the Project Reclaimed Land. Belle Bay City Corporation was, however, dissolved in 2005 and is still undergoing liquidation. The Project Reclaimed Land was allocated to Belle Corporation as part of Belle Bay City Corporation's plan of dissolution. Belle Corporation has since exercised possession and other rights over the Project Reclaimed Land. In 2005, Belle Corporation transferred a portion of the Project Reclaimed Land to the Philippine Social Security System. In 2010, Belle Corporation and the Philippine Social Security System entered into a lease agreement for that part of the land.

Melco Resorts Leisure does not own the land or the buildings comprising the site for City of Dreams Manila. Rather, Melco Resorts Leisure leases the Project Reclaimed Land and buildings from Belle Corporation under the Lease Agreement.

Cyprus Casinos

We currently have the following casinos in operation with the total floor area of approximately 86,310 square feet at various locations in Cyprus:

Cyprus Casinos	Opening Month	Location	Total Floor Area (In square feet)
Limassol (temporary casino)	June 2018	271 Franklin Roosevelt Ave. 3046 Limassol, Cyprus	67,270
Nicosia	December 2018	Neas Engomis Street No.35, Engomi, 2409 Nicosia, Cyprus.	10,600
Ayia Napa	July 2019	Archiepiscopou Makariou III, 34 Ayia Napa, Cyprus	3,970
Paphos	February 2020	9 Theas Aphroditis 8204 Paphos, Cyprus	4,470
Total			86,310

Premises are being operated under leases that expire at various dates. The lease of our temporary casino in Limassol was automatically renewed in November 2020 for a one-year term and can be automatically renewed for a further one-year term, unless we elect for a shorter term as provided under the lease agreement. We have leases for our three satellite casinos up to 2023 to 2024, which are renewable for two five-year terms unless we elect not to renew those leases.

City of Dreams Mediterranean

The site of City of Dreams Mediterranean, which is currently under development, is located at Zakaki, in western Limassol, Cyprus ("Cyprus Project Land"). Prior to our acquisition of Melco International's 75% equity interest in ICR Cyprus on July 31, 2019, The Cyprus Phassouri (Zakaki) Limited, the current owner of a 25% equity interest in ICR Cyprus, acquired such 25% equity interest in ICR Cyprus by contributing its freehold interest over the Cyprus Project Land and as a result, a subsidiary of ICR Cyprus became owner of the freehold interest over the Cyprus Project Land. The Cyprus Project land has a total site area of 367,000 square meters (equivalent to approximately 3.95 million square feet) and a total gross floor area of 86,000 square meters (equivalent to approximately 925,700 square feet). Following the extension granted by the government of

Cyprus, the Cyprus License currently requires us to open the City of Dreams Mediterranean by September 30, 2022 and, subject to fulfilling all conditions under the Cyprus License and obtaining all requisite regulatory approvals, we currently expect to open the City of Dreams Mediterranean during the summer of 2022.

Other Premises

Grand Dragon Casino premises, including the fit-out and gaming-related equipment, are located on the ground floor and level one within Grand Dragon Hotel in Macau and occupy a floor area of approximately 1,700 square meters (equivalent to approximately 18,300 square feet). We operate Grand Dragon Casino under a right-to-use agreement. We also own a ski resort in Nagano, Japan. The ski resort has a site area of approximately 2.0 million square meters (equivalent to approximately 21.5 million square feet).

Apart from the aforesaid property sites, we maintain various offices and storage locations in Macau, Hong Kong, Cyprus and Japan. We lease all of our office and storage premises.

Advertising and Marketing

We seek to attract customers to our properties and to grow our customer base over time by undertaking several forms of advertising, sales and marketing activities and plans. We utilize local and regional media to publicize and promote our projects and operations. We have built public relations and marketing and branding teams that cultivate media relationships, promote our brands and explores media opportunities in various markets. We use a variety of media platforms that include social media, digital, print, television, online, outdoor, on collaterals and direct mail pieces. A resorts marketing team has been established that directly liaises with current and potential customers within target Asian and other countries in order to grow and retain high-end customers. To be competitive in the Macau environment, we hold various promotions and special events, operate loyalty programs with our patrons and have developed a series of programs. In Macau, the Philippines and Cyprus, we employ a tiered loyalty program at our properties to ensure that each customer segment is specifically recognized and incentivized. Dedicated customer hosting programs provide personalized service to our most valuable customers. In addition, we utilize sophisticated analytical programs and capabilities to track the behavior and spending patterns of our patrons. We believe these tools help deepen our understanding of our customers to optimize yields and make continued improvements to our properties. As our advertising and marketing activities occur in various jurisdictions, we aim to ensure we are in compliance with all applicable laws in relation to our advertising and marketing activities.

Customers

We seek to cater to a broad range of customers through our diverse gaming and non-gaming facilities and amenities across our major existing operating properties.

Non-Gaming Patrons

City of Dreams offers visitors to Macau an array of multi-dimensional entertainment amenities, four hotels, as well as a selection of restaurants, bars and retail outlets. Altira Macau is designed to provide a high-end casino and hotel experience, tailored to meet the cultural preferences and expectations of Asian rolling chip patrons. Mocha Clubs are targeted to deliver a relaxed, café- style non-casino based electronic gaming experience. Studio City is designated to primarily target mass market guests through its vast array of non-gaming amenities and entertainment attractions.

City of Dreams Manila features different entertainment venues: DreamPlay, a family entertainment center which features a children’s concierge and supervision service and activities catering to children aged four and above, a children’s concierge and supervision service; Centerplay, a live performance central lounge within the casino; and the two facilities introduced in November 2018: the VR Zone and K-Golf. With these diverse

entertainment venues and attractions, we believe City of Dreams Manila will be able to leverage on the experiences of City of Dreams in Macau, which has developed world-class attractions such as The House of Dancing Water and the Club Cubic nightclub.

Our Cyprus casinos offer a selection of food and beverage options at the premises.

Gaming Patrons

Our gaming patrons include rolling chip players and mass market players.

Mass market players are non-rolling chip players and they come to our properties for a variety of reasons, including our marketing initiatives, brand, the quality and comfort of our mass market offerings. Mass market players are classified as general mass market and premium mass market players.

Rolling chip players at our casinos are patrons who participate in our in-house rolling chip programs or in the rolling chip programs of our gaming promoters, also known as junket operators. Our rolling chip players or premium direct players play mostly in our dedicated VIP rooms or designated gaming areas, and can earn a variety of gaming-related rebates, such as cash, rooms, food and beverage and other complimentary products or services.

Gaming Promoters

A portion of our rolling chip play is brought to us by gaming promoters, also known as junket operators. Gaming promoters in Macau are independent third parties that include both individuals and corporate entities, all of which are officially required to be licensed by the DICJ. In Cyprus, there are currently two licensed gaming promoters approved in 2020 and other gaming promoters have also submitted licensing applications to the CGC which remain subject to CGC's approval. Gaming promoters in the Philippines are not subject to licensing requirement but gaming operators are subject to certain notice requirements related to the engagement of junkets. We have procedures to screen prospective gaming promoters prior to their engagement and conduct periodic checks that are designed to ensure that the gaming promoters with whom we associate meet suitability standards. Where licensing requirements apply, we only engage gaming promoters who have been licensed by the relevant authority.

Our gaming promoters are compensated through commission arrangements that are calculated on a monthly or a per trip basis. We generally offer commission payment structures that are calculated by reference to revenue share or monthly rolling chip volume. Under the revenue share-based arrangements, the gaming promoter participates in our gaming wins or losses from the rolling chip patrons brought in by the gaming promoter. Our gaming promoters may also receive complimentary allowances for food and beverage, hotel accommodation and transportation.

We conduct, and expect to continue to conduct, our table gaming activities at our casinos on a credit basis as well as a cash basis. As a customary practice in both Macau and Manila gaming markets, we grant interest-free credit to a significant portion of our gaming promoters for short-term, renewable periods. Credit is also granted to certain gaming promoters on a revolving basis. The credit we extend is typically unsecured. The gaming promoters bear the responsibility for issuing credit to and, subsequently collecting, from their players. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We depend upon gaming promoters for a portion of our gaming revenues. If we are unable to establish, maintain and increase the number of successful relationships with gaming promoters or if the financial resources of our gaming promoters are insufficient to allow them to continue doing business in Macau and/or Manila or if our gaming promoters are otherwise restricted from doing business due to, for example, the recent amendments to China's criminal laws, our results of operations could be materially and adversely impacted" and "— Risks Relating to Our Business and Operations — We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers."

Market and Competition

We believe that the gaming markets in Macau and the Philippines are and will continue to be intensely competitive. Our competitors in Macau and elsewhere in Asia include all the current concession and subconcession holders, other PAGCOR license holders and many of the largest gaming, hospitality, leisure and property development companies in the world. Some of these current and future competitors are larger than us and have significantly longer track records in the operation of major hotel casino resort properties. Compared to Macau and the Philippines, the competitive environment in Cyprus is more favorable with our exclusive license to operate casinos in the Republic of Cyprus until 2032, but we may face competition from casinos in the occupied part of Cyprus or from casinos in nearby parts of Europe and the Middle East.

Macau Gaming Market

In 2020, 2019 and 2018, Macau generated approximately US$7.6 billion, US$36.6 billion and US$37.9 billion of gross gaming revenue, respectively, according to the DICJ. Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

Gross gaming revenues in Macau expanded 13.5% in 2012 and 18.6% in 2013, according to the DICJ. The DICJ figures show that the Macau gaming market has been through a challenging period since 2014, with a decline in gross gaming revenues of 2.6% in 2014 and 34.3% in 2015 and 3.3% in 2016, primarily driven by a deteriorating demand environment from our key feeder market, China, as well as other restrictive policies including changes to travel and visa policies and the implementation of further smoking restrictions on the main gaming floor. According to the DICJ, the rolling chip segment underperformed the broader market, declining 10.9% year-over-year in 2014 and 39.9% year-over-year in 2015 and 6.9% in 2016, while the higher margin mass market table games segment increased 15.5% in 2014 and declined 26.7% in 2015 and increased 1.8% in 2016. The operating environment improved in 2017, with gross gaming revenues in Macau increasing 19.1% on a year-over-year basis and continued to improve in 2018 with gross gaming revenues in Macau increasing 14.0% on a year-over-year basis according to the DICJ. According to the DICJ, gross gaming revenues in Macau declined by 3.4% on a year-over-year basis in 2019 as compared to 2018. We believe such year-over-year decline in 2019 was mainly driven by a decline in VIP gaming revenues in Macau and the slowdown in the Chinese economy. According to the DICJ, gross gaming revenues in Macau declined by 79.3% on a year-over-year basis in 2020. We believe such year-over-year decline in 2020 was mainly due to the impact of the COVID-19 outbreak, which has resulted in a significant decline in inbound tourism, among other things. We expect that gross gaming revenues in Macau will continue to be negatively impacted by the significant travel bans or restrictions, visa restrictions and quarantine and social distancing requirements so long as these restrictions remain in place. The disruptions to our business caused by the COVID-19 pandemic have had a material and adverse effect on our business, financial condition and results of operations and as such disruptions are ongoing, such material and adverse effects will likely continue.

The mass market table games segment accounted for 50.8% of market-wide gross gaming revenues in 2020, compared to 48.6% of market-wide gross gaming revenues in 2019 and 40.2% in 2018, according to the DICJ. With our large exposure to the mass market table games segment in the fast growing Cotai region, we believe we are well positioned to cater to this increasingly important, and more profitable, segment of the market.

While industry trends in Macau improved between the third quarter of 2016 to the last quarter of 2018, according to the DICJ, the Macau gaming market experienced a decline in gross gaming revenues from 2014 to 2016 and the gross gaming revenues in Macau also declined by 79.3% on a year-over-year basis in 2020 as compared to 2019. Macau continues to be impacted by a range of external factors, including the slowdown in the Chinese economy and government policies that may adversely affect the Macau gaming market. For example, the Chinese government has taken measures to deter marketing of gaming activities to mainland Chinese residents by foreign casinos and to reduce capital outflow. Such measures include reducing the amount that China-issued ATM cardholders can withdraw in each withdrawal, setting a limit for annual withdrawals and the launch of

facial recognition and identity card checks with respect to certain ATM users. More recently, the Macau gaming market has been significantly impacted by the COVID-19 outbreak. According to the DICJ, gross gaming revenues in Macau declined by 39.2% on a year-over-year basis in the first two months of 2021 as compared to the first two months of 2020.

We believe the long-term growth in gaming and non-gaming revenues in Macau are supported by, among other things, the continuing emergence of a wealthier demographic in China, a robust regulatory framework and significant new infrastructure developments in Macau and China, as well as by the anticipated new supply of gaming and non-gaming facilities in Macau, which is predominantly focused on the Cotai region. According to DSEC, visitation to Macau totaled more than 5.8 million in 2020, decreasing by 85.0% compared to 2019. While visitors from China represented 80.6%, compared to 70.9% in 2019, and visitors from Hong Kong and Taiwan represented 14.3% and 1.8%, of all visitors to Macau in 2020, respectively.

Gaming in Macau is administered through government-sanctioned concessions awarded to three different concessionaires: SJM, in which family members of Mr. Lawrence Ho, our chairman and chief executive officer, have shareholding interests; Wynn Macau, a subsidiary of Wynn Resorts Ltd.; and Galaxy. SJM granted a subconcession to MGM Grand Paradise, which was originally formed as a joint venture by MGM-Mirage and Ms. Pansy Ho, sister of Mr. Lawrence Ho. Galaxy granted a subconcession to VML, a subsidiary of Sands China Ltd and Las Vegas Sands Corporation. Melco Resorts Macau obtained its subconcession under the concession of Wynn Macau.

SJM currently operates multiple casinos throughout Macau. SJM (through its predecessor, Tourism and Entertainment Company of Macau Limited) commenced its gaming operations in Macau in 1962 and is currently developing its project in Cotai which is expected to open in the first half of 2021.

Wynn Macau opened the Wynn Macau in September 2006 on the Macau peninsula and an extension called Encore in 2010. In August 2016, Wynn Macau opened Wynn Palace, in Cotai.

Galaxy currently operates multiple casinos in Macau, including StarWorld, a hotel and casino resort in Macau’s central business and tourism district. The Galaxy Macau Resort opened in Cotai in May 2011 and the opening of Phase 2 of the Galaxy Macau Resort took place in May 2015. Galaxy is currently developing Phase 3 of the Galaxy Macau Resort, which is currently expected to be completed and fully operational in the first half of 2022, while Phase 4 is expected to be completed and operational within a few years after the completion of Phase 3.

VML operates Sands Macao on the Macau peninsula, The Venetian Macao, the Plaza Casino at The Four Seasons Hotel Macao and the Parisian Macao. VML also operated Sands Cotai Central in Cotai, which has been rebranded and redeveloped The Londoner Macao, which opened in February 2021.

MGM Grand Paradise opened its MGM Macau in December 2007, which is located next to Wynn Macau on the Macau peninsula, and its MGM Cotai in February 2018.

The existing concessions and subconcessions do not place any limit on the number of gaming facilities that may be operated. In addition to facing competition from existing operations of these concessionaires and subconcessionaires, we will face increased competition when any of them constructs new, or renovates pre-existing, casinos in Macau or enters into leasing, services or other arrangements with hotel owners, developers or other parties for the operation of casinos and gaming activities in new or renovated properties. Each of these concessionaires was permitted to grant one subconcession. The Macau government is currently considering the process of renewal, extension or grant of gaming concessions or subconcessions expiring in 2022. The Macau government further announced that the number of gaming tables in Macau should not exceed 5,500 until the end of the first quarter of 2013 and that, thereafter, for a period of ten years, the total number of gaming tables to be authorized will be limited to an average annual increase of 3%. These restrictions are not

legislated or enacted into laws or regulations and, as such, different policies, including on the annual rate of increase in the number of gaming tables, may be adopted at any time by the relevant Macau government authorities. According to the DICJ, the number of gaming tables operating in Macau as of December 31, 2020 was 6,080. The Macau government has reiterated further that it does not intend to authorize the operation of any new casino or gaming area that was not previously authorized by the government, or permit tables authorized for mass market gaming operations to be utilized for VIP gaming operations or authorize the expansion of existing casinos or gaming areas. However, the policies and laws of the Macau government could change and permit the Macau government to grant additional gaming concessions or subconcessions. Such change in policies may also result in a change in the number of gaming tables and casinos that the Macau government is prepared to authorize for operation.

Philippine Gaming Market

Until the occurrence of the COVID-19 pandemic which halted the operations of City of Dreams Manila for a period of time, we benefited from and contributed to the growth in the local and regional gaming demand that was supported by improved infrastructure and strong tourism growth in the country.

The Philippine economy has been one of the fastest growing economies in the region, with favorable demographics and consumer spending that are beneficial to the Philippine gaming market. City of Dreams Manila, however, presently faces stronger competition in the Philippine market from hotels and resorts owned by both Philippine nationals and foreigners, including many of the largest gaming, hospitality, leisure and resort companies in the world, such as Travellers International Hotel Group, Inc., Bloomberry Resorts Corporation and Tiger Resorts Leisure and Entertainment Inc. as well as the Philippine Amusement and Gaming Corporation, an entity owned and controlled by the government of the Philippines, which operates certain gaming facilities across the Philippines.

Cyprus Gaming Market

We currently operate one temporary casino and three satellite casinos in Cyprus. The temporary casino opened in Limassol in June 2018 as the first licensed casino in Cyprus. We opened two satellite casinos in Nicosia and Larnaca in December 2018, one satellite casino in Ayia Napa in July 2019 and one satellite casino in Paphos in February 2020. In June 2020, we ceased operations of the satellite casino in Larnaca. We are required to cease operations of the temporary casino when City of Dreams Mediterranean is launched and expect to continue the operation of satellite casinos after the launch of City of Dreams Mediterranean. Although we have an exclusive license to operate casinos in the Republic of Cyprus until 2032, we may face competition from casinos in the occupied part of Cyprus or from casinos in nearby parts of Europe and the Middle East.

Other Regional Markets

We may also face competition from casinos and gaming resorts located in other Asian or European destinations together with cruise ships. Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition. There are major gaming facilities in Australia located in Melbourne, Perth, Sydney and the Gold Coast. Genting Highlands is a popular international gaming resort in Malaysia, approximately a one-hour drive from Kuala Lumpur. South Korea has allowed gaming for some time but these offerings are available primarily to foreign visitors. Kangwon Land operates the only casino in the country that is open to accept Korean nationals. There are also casinos in Vietnam and Cambodia, although they are relatively small compared to those in Macau.

Singapore legalized casino gaming in 2006. Genting Singapore PLC opened its resort in Sentosa, Singapore, in February 2010 and Las Vegas Sands Corporation opened its casino in Marina Bay, Singapore, in April 2010. In December 2016, a law which conceptually enables the development of integrated resorts in Japan took effect. In addition, several other Asian countries are considering or are in the process of legalizing gambling and establishing casino-based entertainment complexes.

Seasonality

Macau, our principal market of operation, experiences many peaks and seasonal effects. The "Golden Week" and "Chinese New Year" holidays are in general the key periods where business and visitation increase considerably in Macau. In the Philippines, business considerably slows down during the "Holy Week," as well as during the "Chinese New Year" and the "Chinese Ghost Month." In Cyprus, summer is generally the key period where business and visitation experience significant increase, while business considerably slows down during winter. While we may experience fluctuations in revenues and cash flows from month to month, we do not believe that our business is materially impacted by seasonality.

Intellectual Property

We have applied for and/or registered certain trademarks, including "Morpheus", "Altira", "Mocha Club", "City of Dreams", "Nüwa", "The Countdown", "City of Dreams Manila", "Studio City", "Melco Resorts Philippines" and "Melco Resorts & Entertainment" in Macau, the Philippines, Cyprus and/or other jurisdictions. We have also applied for or registered in Macau, the Philippines, Cyprus and other jurisdictions certain other trademarks and service marks used or to be used in connection with the operations of our hotel casino projects in Macau, City of Dreams Manila and Cyprus.

For our license or hotel management agreements that are required for our operations, see "Item 5. Operating and Financial Review and Prospects — C. Research and Development, Patents and Licenses, etc."

Regulations

Macau Regulations

Gaming Regulations

The ownership and operation of casino gaming facilities in Macau are subject to the general civil and commercial laws and specific gaming laws, in particular, Law no. 16/2001, or the Macau Gaming Law. Macau's gaming operations are also subject to the grant of a concession or subconcession by, and regulatory control of, the Macau government. See "— Gaming Licenses" below for more details.

The DICJ is the supervisory authority and regulator of the gaming industry in Macau. The core functions of the DICJ are:

- to collaborate in the definition of gaming policies;
- to supervise and monitor the activities of the concessionaires and subconcessionaires;
- to investigate and monitor the continuing suitability and financial capacity requirements of concessionaires, subconcessionaires and gaming promoters;
- to issue licenses to gaming promoters;
- to license and certify gaming equipment; and
- to issue directives and recommend practices with respect to the ordinary operation of casinos.

Below are the main features of the Macau Gaming Law, as supplemented by Administrative Regulation no. 26/2001, that are applicable to our business.

- If we violate the Macau Gaming Law, Melco Resorts Macau's subconcession could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, we, and the persons involved, could be subject to substantial fines for each separate violation of Macau Gaming Law or of the Subconcession Contract at the discretion of the

Macau government. Further, if we terminate or suspend the operation of all or a part of our gaming operations without permission for reasons not due to *force majeure*, or in the event of insufficiency of our facilities and equipment which may affect the normal operation of our gaming business, the Macau government would be entitled to replace Melco Resorts Macau during such disruption and to ensure the continued operation of the gaming business. Under such circumstances, we would bear the expenses required for maintaining the normal operation of the gaming business.

- The Macau government also has the power to supervise concessionaires and subconcessionaires in order to assure financial stability and capability. See "— Gaming Licenses — The Subconcession Contract in Macau."
- Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macau government may be found unsuitable. Any shareholder of a concessionaire or subconcessionaire holding shares equal to or in excess of 5% of such concessionaire's or subconcessionaire's share capital who is found unsuitable will be required to dispose of such shares by a certain time (the transfer itself being subject to the Macau government's authorization). If a disposal has not taken place by the time so designated, such shares must be acquired by the concessionaire or subconcessionaire. Melco Resorts Macau will be subject to disciplinary action if, after it receives notice that a person is unsuitable to be a shareholder or to have any other relationship with it, Melco Resorts Macau:
  - pays that person any dividend or interest upon its shares;
  - allows that person to exercise, directly or indirectly, any voting right conferred through shares held by that person;
  - pays remuneration in any form to that person for services rendered or otherwise; or
  - fails to pursue all lawful efforts to require that unsuitable person to relinquish his or her shares.
- The Macau government also requires prior approval for the creation of a lien over shares or property comprising a casino and gaming equipment and utensils of a concession or subconcession holder. In addition, the creation of restrictions on its shares in respect of any public offering requires the approval of the Macau government to be effective.
- The Macau government must give its prior approval to changes in control through a merger, consolidation, shares acquisition, or any act or conduct by any person whereby such person obtains control. Entities seeking to acquire control of a concessionaire or subconcessionaire must satisfy the Macau government with regards to a variety of stringent standards prior to assuming control. The Macau government may also require controlling shareholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated for suitability as part of the approval process of the transaction.

Non-compliance with these obligations could lead to the revocation of Melco Resorts Macau's subconcession and could materially and adversely affect our gaming operations.

The Macau government has also enacted other gaming legislation, rules and policies. Further, it imposed policies, regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, the number of gaming tables that may be operated in Macau, location requirements for sites with gaming machine lounges, supply and requirements of gaming machines, equipment and systems, instruction on responsible gaming, restrictions on the utilization of mass market gaming tables for VIP gaming operations and other matters. In addition, the Macau government may consider enacting new regulations that may adversely affect our gaming operations. Our inability to address the requirements or restrictions imposed by the Macau government under such legislation or rules could adversely affect our gaming operations.

Gaming Promoters Regulations

Macau Administrative Regulation no. 6/2002, as amended pursuant to Administrative Regulation no. 27/2009, or the Gaming Promoters Regulation, regulates licensing of gaming promoters and the operations of

gaming promotion business by gaming promoters. Applications to the DICJ by those seeking to become licensed gaming promoters must be sponsored by a concessionaire or subconcessionaire. Such concessionaire or subconcessionaire must confirm that it may contract the applicant's services subject to the latter being licensed. Licenses are subject to annual renewal and a list of licensed gaming promoters is published every year in the Macau Official Gazette. The DICJ monitors each gaming promoter and its staff and collaborators. In October 2015, the DICJ issued specific accounting related instructions applicable to gaming promoters and their operations. Any failure by the gaming promoters to comply with such instructions may impact their license and ability to operate in Macau.

In addition, concessionaires and subconcessionaires are jointly liable for the activities of their gaming promoters and collaborators within their casinos. In addition to the licensing and suitability assessment process performed by the DICJ, all of our gaming promoters undergo a thorough internal vetting procedures. We conduct background checks and also conduct periodic reviews of the activities of each gaming promoter, its employees and its collaborators for possible non-compliance with Macau legal and regulatory requirements. Such reviews generally include investigations into compliance with applicable anti-money laundering laws and regulations as well as tax withholding requirements.

Concessionaires and subconcessionaires are required to report periodically on commissions and other remunerations paid to their gaming promoters. A 5% tax must be withheld on commissions and other remunerations paid by a concessionaire or subconcessionaire to its gaming promoters. Under the Gaming Promoters Regulation and in accordance with the Secretary for Economy and Finance Dispatch no. 83/2009, effective as of September 11, 2009, a commission cap of 1.25% of net rolling has been in effect. Any bonuses, gifts, services or other advantages which are subject to monetary valuation and which are granted, directly or indirectly, inside or outside of Macau by any concessionaire or subconcessionaires or any company of their respective group to any gaming promoter shall be considered a commission. The commission cap regulations impose fines, ranging from MOP100,000 (equivalent to approximately US$12,523) up to MOP500,000 (equivalent to approximately US$62,614) on gaming operators that do not comply with the cap and other fines, ranging from MOP50,000 (equivalent to approximately US$6,261) up to MOP250,000 (equivalent to approximately US$31,307) on gaming operators that do not comply with their reporting obligations regarding commission payments. If breached, the legislation on commission caps has a sanction enabling the relevant government authority to make public a government decision imposing a fine on a concessionaire and subconcessionaire, by publishing such decision on the DICJ website and in two Macau newspapers (in Chinese and Portuguese respectively). We believe we have implemented the necessary internal control systems to ensure compliance with the commission cap and reporting obligations in accordance with applicable rules and regulations.

The Macau government is currently considering amending the Macau Administrative Regulation no. 6/2002. The Macau government is, among other things, proposing that the licensing requirements for gaming promoters be more stringent and restrictive, the imposition of new penalties and the increase of the amounts of current fines.

Gaming Credit Regulations

Macau Law no. 5/2004 has legalized the extension of gaming credit to patrons or gaming promoters by concessionaires and subconcessionaires. Gaming promoters may also extend credit to patrons upon obtaining an authorization by a concessionaire or subconcessionaire to carry out such activity. Assigning or transferring one's authorization to extend gaming credit is not permitted. This statute sets forth filing obligations for those extending credit and the supervising role of the DICJ in this activity. Gaming debts contracted pursuant to this statute are a source of civil obligations and may be enforced in court.

Access to Casinos and Gaming Areas Regulations

Under Law no. 10/2012, as amended pursuant to Law no. 17/2018, the minimum age required for entrance into casinos in Macau is 21 years of age. The director of the DICJ may authorize employees under 21 years of age to temporarily enter casinos or gaming areas, after considering their special technical qualifications. In addition, off-duty gaming related employees of gaming operators and gaming promoters may not, starting from December 2019, access any casinos or gaming areas, except during the Chinese New Year festive season or under specific circumstances.

Smoking Regulations

Under the Smoking Prevention and Tobacco Control Law, as amended pursuant to Law no. 9/2017, from January 1, 2019, smoking on casino premises is only permitted in authorized segregated smoking lounges with no gaming activities and such smoking lounges are required to meet certain standards determined by the Macau government.

Anti-Money Laundering and Terrorism Financing Regulations

In conjunction with current gaming laws and regulations, we are required to comply with the laws and regulations relating to anti-money laundering activities in Macau. Law no. 2/2006 (as amended pursuant to Law no. 3/2017), the Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016 in effect from May 13, 2016 (as amended pursuant to DICJ Instruction no. 1/2019), govern our compliance requirements with respect to identifying, reporting and preventing anti-money laundering and terrorism financing crimes at our casinos in Macau. Under these laws and regulations, we are required to:

- implement internal procedures and rules governing the prevention of anti-money laundering and terrorism financing crimes which are subject to prior approval from DICJ;
- identify and evaluate the money laundering and terrorism financing risk inherent to gaming activities;
- identify any customer who is in a stable business relationship with Melco Resorts Macau, who is a politically exposed person or any customer or transaction where there is a sign of money laundering or financing of terrorism or which involves significant sums of money in the context of the transaction, even if any sign of money laundering is absent;
- refuse to deal with any of our customers who fail to provide any information requested by us;
- keep records on the identification of a customer for a period of five years;
- establish a regime for electronic transfers;
- keep individual records of all transactions related to gaming which involve credit securities;
- keep records of all electronic transactions for amounts equal to or exceeding MOP8,000 (equivalent to approximately US$1,002) in cases of occasional transactions and MOP120,000 (equivalent to approximately US$15,027) in cases of transactions that arose in the context of a continuous business relationship;
- notify the Finance Information Bureau if there is any sign of money laundering or financing of terrorism;
- adopt as compliance function and appoint compliance officers; and
- cooperate with the Macau government by providing all required information and documentation requested in relation to anti-money laundering activities.

Under Article 2 of Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016 (as amended pursuant to DICJ Instruction

no.1/2019), we are required to track and report transactions and granting of credit that are of MOP500,000 (equivalent to approximately US$62,614) or above. Pursuant to the legal requirements above, if the customer provides all required information, after submitting the reports, we may continue to deal with those customers that were reported to the DICJ and, in case of suspicious transactions, to the Finance Information Bureau.

We employ internal controls and procedures designed to help ensure that our gaming and other operations are conducted in a professional manner and in compliance with internal control requirements issued by the DICJ set forth in its instruction on anti-money laundering, the applicable laws and regulations in Macau, as well as the requirements set forth in the Subconcession Contract.

We have developed a comprehensive anti-money laundering policy and related procedures covering our anti-money laundering responsibilities, which have been approved by the DICJ, and have training programs in place to ensure that all relevant employees understand such anti-money laundering policy and procedures. We also use an integrated IT system to track and automatically generate significant cash transaction reports and, if permitted by the DICJ and the Finance Information Bureau, to submit those reports electronically.

Responsible Gaming Regulations

On October 18, 2019, the DICJ issued Instruction no. 4/2019, which came into effect on December 27, 2019, setting out measures for the implementation of responsible gaming principles. Under this instruction, concessionaires and subconcessionaires are required to implement certain measures to promote responsible gambling, including: making information available on the risks of gambling, responsible gambling and odds, both inside and outside the casinos and gaming areas and through electronic means; creation of information and counseling kiosks and a hotline; adequate regulation of lighting inside casinos and gaming areas; self-exclusion and exclusion at third party request procedures, off-duty gaming related employees entry restriction procedures, physical entry requirements, preventive measures for restricted access by persons under 21 years of age; public exhibition of time; creation and training of teams and a coordinator responsible for promoting responsible gambling.

Control of Cross-border Transportation of Cash Regulations

On June 12, 2017, Law no. 6/2017 with respect to the control of cross-border transportation of cash and other negotiable instruments to the bearer, was enacted. Such law came into effect on November 1, 2017. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount determined by the order of the Chief Executive of Macau at MOP120,000 (equivalent to approximately US$15,027) will be required to declare such amount to the customs authorities. The customs authorities may also request an individual exiting Macau to declare if such individual is carrying an amount in cash or negotiable instruments to the bearer equal to or higher to such amount. Individuals that fail to duly complete the required declaration may be subject to a fine (ranging from 1% to 5% of the amount that exceeds the amount determined by the order of the Chief Executive of Macau for declaration purposes, such fine being at least MOP1,000 (equivalent to approximately US$125) and not exceeding MOP500,000 (equivalent to approximately US$62,614)). In the event the relevant customs authorities find that the cash or negotiable instrument to the bearer carried by an individual while entering or exiting Macau may be associated with or result from any criminal activity, such incident shall be notified to the relevant criminal authorities and the relevant amounts shall be seized pending investigation. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Macau — Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and any unfavorable fluctuations in the currency exchange rates of the Renminbi.”

Prevention and Suppression of Corruption in External Trade Regulations

In addition to the general criminal laws regarding corrupt practices in the public and private sector that are in force in Macau, on January 1, 2015, Law no. 10/2014, criminalizing corruption acts in external trade and

providing for a system for prevention and suppression of such criminal acts came into effect in Macau. Our internal policies, address this issue.

Asset Freezing Enforcement Regulations

On August 29, 2016, Law no. 6/2016 with respect to the framework for the enforcement of asset freezing orders, which comprised of United Nations Security Council sanctions resolutions for the fight against terrorism and proliferation of weapons of mass destruction, was enacted. Under this law, the Chief Executive of Macau is the competent authority to enforce freezing orders and the Asset Freeze Coordination Commission must assist the Chief Executive in all technical aspects of such enforcement. Among other entities, gaming operators are subject to certain obligations and duties regarding the freezing of assets ordered by the United Nations Security Council sanctions resolutions, including reporting and cooperation obligations.

Foreign Exchange Regulations

Gaming operators in Macau may be authorized to open foreign exchange counters at their casinos and gaming areas subject to compliance with the Foreign Exchange Agencies Constitution and Operation Law (Decree-Law no. 38/97/M), the Exchange Rate Regime (Decree-Law no. 39/97/M) and the specific requirements determined by the Monetary Authority of Macau. The transaction permitted to be performed in such counters is limited to buying and selling bank bills and coins in foreign currency, and to buying travelers checks.

Intellectual Property Rights Regulations

Our subsidiaries incorporated in Macau are subject to local intellectual property regulations. Intellectual property protection in Macau is supervised by the Intellectual Property Department of the Economic Services Bureau of the Macau government.

The applicable regime in Macau with regard to intellectual property rights is defined by two main laws. The Industrial Property Code (Decree-Law no. 97/99/M, as amended pursuant to Law no. 11/2001), covers (i) inventions meeting the patentability requirements; (ii) semiconductor topography products; (iii) trademarks; (iv) designations of origin and geographical indications; and (v) awards. The Regime of Copyright and Related Rights (Decree-Law no. 43/99/M, as amended by Law no. 5/2012), protects intellectual works and creations in the literary, scientific and artistic fields, by copyright and related rights. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — A failure to establish and protect our intellectual property rights could have an adverse effect on our business, financial condition and results of operations.”

Personal Data Regulations

Processing of personal data by our subsidiaries in Macau is subject to compliance with the Personal Data Protection Act (Law no. 8/2005) and, in the case of Melco Resorts Macau, any instructions issued by DICJ from time to time. The Office for Personal Data Protection, or GPDP, is the regulatory authority in Macau in charge of supervising and enforcing the Personal Data Protection Act. Breaches are subject to civil liability, administrative and criminal sanctions.

The legal framework and the instructions issued by DICJ require that certain procedures must be adopted before collecting, processing and/or transferring personal data, including obtaining consent from the data subject and/or notifying or requesting authorization from the GPDP and/or DICJ, as applicable, prior to processing personal data.

Cybersecurity Regulations

Law no. 13/2019, the Cybersecurity Law came into effect on December 21, 2019 and is intended to protect networks, systems and data of public and private operators of critical infra-structures, among which operators of games of fortune and chance or other games in casinos are included.

The cybersecurity system is composed of a Cybersecurity Commission, a Cybersecurity Alert and Response Incident Centre ("CARIC") and cybersecurity supervisory entities.

Among other duties, private infra-structures operators are required to appoint a suitable and experienced person to be responsible for handling its cybersecurity and to be permanently reachable by CARIC, create a cybersecurity department, implement adequate internal cybersecurity procedures, conduct evaluations of its networks' security and risks, submit annual reports to their supervisory entity and inform CARIC and the respective supervisory entity of any cybersecurity incidents.

Additional regulations have been enacted to further determine and detail how the above mentioned obligations are to be fulfilled.

Labor Quotas Regulations

All businesses in Macau must apply to the Labor Affairs Bureau for labor quotas to import non-resident unskilled workers from China and other regions or countries. Non-resident skilled workers are also subject to the issuance of a work permit by the Macau government, which is given individually on a case-by-case basis. Businesses are free to employ Macau residents in any position, as by definition all Macau residents have the right to work in Macau. We have, through our subsidiaries, two main groups of labor quotas in Macau, one to import non-skilled workers from China and the other to import non-skilled workers from all other countries. Melco Resorts Macau is not currently allowed to hire non-Macau resident dealers and supervisors under Macau government's policy.

Pursuant to Macau social security laws, Macau employers must register their employees under a mandatory social security fund and make social security contributions for each of its resident employees and pay a special duty for each of its non-resident employees on a quarterly basis. Employers must also buy insurance to cover employment accidents and occupational illnesses for all employees.

Minimum Salary Regulations

On April 27, 2020, Law no. 5/2020, with respect to minimum salary, was enacted. Such law came into effect on November 1, 2020. In accordance with such law, the monthly minimum salary in Macau is MOP6,656 (equivalent to approximately US$834) per month (excluding overtime, night and shift allowances and regular bonus related payments). The minimum salary requirement applies to all workers in Macau, except domestic helpers and special needs workers.

Land Regulations

Land in Macau is legally divided into plots. In most cases, private interests in real property located in Macau are obtained through long-term leases from the Macau government.

Our subsidiaries have entered into land concession contracts for the land on which our Altira Macau, City of Dreams and Studio City properties are located. Each contract has a term of 25 years and is renewable for further consecutive periods of ten years and imposes, among other conditions, a development period, a land premium payment, a nominal annual government land use fee, which may be adjusted every five years, and a guarantee deposit upon acceptance of the land lease terms, which are subject to adjustments from time to time in line with the amounts paid as annual land use fees.

The land is initially granted on a provisional basis and registered as such with the Macau Real Property Registry and only upon completion of the development is the land concession converted into definitive status and so registered with the Macau Real Property Registry.

Restrictions on Distribution of Profits Regulations

All subsidiaries incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the board of directors or the shareholders (as applicable) of the relevant subsidiaries. As of December 31, 2020, the aggregate balance of the reserves of all our Macau subsidiaries amounted to US$31.5 million.

Philippines Regulations

Gaming Regulations

Melco Philippine Parties and Philippine Parties are co-licensees of the Philippine License dated April 29, 2015 issued by PAGCOR (previously the Provisional License) for the development of an integrated casino, hotel, retail and entertainment complex within the Entertainment City, Manila. As one of the Philippine Licensees, Melco Resorts Leisure has been named as the special purpose entity to operate the casino business and act as the sole and exclusive representative of the Philippine Licensees for the purposes of the Philippine License. The Philippine License is one of the four licenses granted to various parties to develop integrated tourism resorts and establish and operate casinos in Entertainment City.

The Casino Regulatory Manual (CRM) was originally issued in January 2013 by PAGCOR for the guidance of the Entertainment City licensees. It was developed to meet the following objectives of PAGCOR: (a) to ensure a level playing field among industry proponents; (b) maintain the orderly and predictable environment; (c) enforce license terms and conditions; (d) promote fairness and integrity in the conduct of games; (e) provide an underlying platform for responsible gaming; (f) disallow access to gaming venues by minors and financially vulnerable persons; and (g) prevent licensed gaming venues from being used for illegal activities.

The CRM contains regulations and standards that the Entertainment City licensees, including City of Dreams Manila, should adhere to and observe. It should be read in conjunction with the Philippine License. It contains regulations on areas such as, but not limited to: casino layout, table games and electronic gaming machines, casino management system, surveillance, gaming chips and plaques, procurement of gaming equipment and gaming paraphernalia as well as the accreditation of suppliers thereof; casino operational rules and guidelines; conduct of gaming; casino player incentives; marketing and promotions; chipwashing and junket operations; banned personalities; determination of gross gaming revenues for table games, electronic gaming machines and other fees; and determination, collection and remittance of PAGCOR license fees. The CRM is annually revised to incorporate changes and revisions to the CRM proposed by any of the Entertainment City licensees and approved by PAGCOR. To date, the CRM is now on its fourth (4^{th}) version.

The ownership and operation of casino gaming facilities in the Philippines are subject to the regulatory supervision of PAGCOR. See "— Gaming Licenses — PAGCOR Licenses in the Philippines" below for more details.

Anti-Money Laundering Regulations in the Philippines

The Philippine AMLA criminalized money laundering and imposed certain requirements on customer identification, record keeping, and reporting of covered and suspicious transactions by covered persons as defined under the law.

Previously, City of Dreams Manila was covered by the Philippine AMLA only to a limited extent and was only required to report its foreign exchange transactions/money changer activities. However, with the new

amendment to the existing Philippine AMLA, casinos are now included as covered persons subject to reporting and other requirements. Therefore, City of Dreams Manila, both in relation to its foreign exchange transactions/money changer activities, as well as its casino operations, is now required to report (i) transactions in cash or other equivalent monetary instrument involving a total amount in excess of PHP500,000 within one (1) banking day, with respect to its foreign exchange transactions/money changer activities, and (ii) single casino cash transaction involving an amount in excess of PHP5,000,000 or its equivalent in any other currency, with respect to its casino operations. Suspicious transactions, regardless of amount, are also required to be reported in connection with both its foreign exchange transactions/money changer activities and casino operations.

The Anti-Money Laundering Council and PAGCOR have also recently released regulations and guidelines on compliance and we have adjusted our anti-money laundering policies for our Philippine operations to these new rules and regulations.

Environmental Laws

Development projects that are classified by law as Environmentally Critical Projects within statutorily defined Environmentally Critical Areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to commencement.

The Environmental Management Bureau of the Department of Environment and Natural Resources issued an ECC to Belle Corporation for City of Dreams Manila. Under the terms of its Philippine Economic Zone Authority registration, Melco Resorts Leisure is required, prior to the start of commercial operations of City of Dreams Manila, to either: (a) apply for an ECC with the Environmental Management Bureau of the Department of Environment and Natural Resources and submit an approved copy of the ECC to the Philippine Economic Zone Authority within 15 days from its issuance, or (b) submit the ECC issued to Belle Corporation, as the same may be amended to reflect any changes made to City of Dreams Manila, for the review and approval by the Philippine Economic Zone Authority. Accordingly, Belle Corporation applied for an Amended ECC to reflect the changes made to City of Dreams Manila. The Environmental Management Bureau of the Department of Environment and Natural Resources issued the Amended ECC to Belle Corporation on July 31, 2014.

Cyprus Regulations

Gaming Law and Regulations

The Cyprus Casino Operations and Control Law 2015 and Casino Operations and Control Law (General) Regulations 2016 provide the main regulatory framework for the establishment, operation, function, supervision and control of casinos operating in Cyprus. The Law established The Cyprus Gaming and Casino Supervision Commission, known as the Cyprus Gaming Commission, in 2015. The Law also provided for a gaming license to be granted to a single operator, which was granted to Integrated Casino Resorts on June 26, 2017, to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term. These are the only lawful and regulated casino operations in Cyprus. The Cyprus Gaming Commission also issues binding directions to Integrated Casino Resorts concerning its operations from time to time. Such directions issued by the Cyprus Gaming Commission in the past cover anti-money laundering and combating the financing of terrorism, casino layout, casino surveillance and the gaming equipment technical standards.

Anti-Money Laundering Law and Regulations

The Prevention and Suppression of Money Laundering Activities Laws of 2007 to 2019 (188(I)/2007) ("Cyprus AML Law") transposed the European Union's Fifth AML Directive into national law of Cyprus. The

principal objectives of the Cyprus AML Law are to prevent the laundering of proceeds of serious criminal offences ("predicate offences"), including terrorist financing and related activities, to detect and prosecute money laundering activities and to provide for the restraint and confiscation of illicit funds. The law makes money laundering or assisting in it a criminal offense and establishes a Unit for Combating Money Laundering (MOKAS).

Casino operators are an obliged entity under the Cyprus AML Law. Integrated Casino Resorts is therefore required to have procedures in place for customer due diligence, recordkeeping and internal reporting and to appoint an appropriate person as money laundering compliance officer. The Cyprus AML Law also contains powers of MOKAS to confiscate the assets of persons who are convicted of a predicate offence and to restrain the assets of such persons and of persons who are reasonably suspected of involvement in money laundering activities. In addition, there are a number of regulations related to anti-corruption, anti-bribery, anti-money laundering and sanctions. The CGC also has supervisory powers for anti-money laundering and combating the financing of terrorism.

European Union (EU)'s General Data Protection Regulation

The European Union's ("EU") General Data Protection Regulation 2016/679 ("GDPR"), which came into force on May 25, 2018, is the EU's new data protection regulation which aims primarily to give control to individuals over their personal data and imposes strict requirements on organizations' processing individuals' personal data. It also addresses the transfer of personal data outside the EU and European Economic Area. Established within the EU, our operations in Cyprus are subject to the GDPR requirements. In order to comply with the GDPR requirements, Integrated Casino Resorts has developed and implemented policies and procedures which regulate the organization's activities and aim to protect all personal data that is collected, processed and maintained by all business units. Integrated Casino Resorts has appointed a Data Protection Officer in line with the GDPR and adopted a number of physical and technical safeguards in order to ensure the protection of all personal data it maintains.

Environmental Laws

The European Union's Directive on the Assessment of the Effects of Certain Plans and Programmes on the Environment provides for a high level of protection of the environment with a view to contributing to the integration of environmental considerations for the preparation and adoption of plans and programmes promoting sustainable development. This aims to ensure that an Environmental Impact Assessment is carried out of certain plans and programmes which are likely to have significant effects on the environment., including those in the tourism sector. The Directive was transposed into Cyprus law in 2005 by the Environmental Impact Assessment from Certain Plans and/or Programmes Law 102(I)/2005, which is enforced by the Cyprus Department of Environment. To comply with the requirements of the environmental law, an Environmental Impact Assessment was carried out for our development of the City of Dreams Mediterranean project and a further Environmental Impact Assessment has also been carried out to further study the impacts to nearby environment.

Other Applicable Laws

Foreign Corrupt Practices Act

The FCPA prohibits our Company and our employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any foreign official. The Code of Business Conduct and Ethics includes specific FCPA related provisions in Section IV and VIII B. To further supplement the Code of Business Conduct and Ethics, our Company implemented a FCPA Compliance Program in 2007, which was revised and expanded in scope in December 2013 as the Ethical Business Practices Program. This covers the activities of the shareholders, directors, officers, employees and counterparties of our Company.

Gaming Licenses

The Concession Regime in Macau

The Macau government conducted an international tender process for gaming concessions in Macau in 2001, and granted three gaming concessions to SJM, Galaxy and Wynn Macau, respectively. Upon authorization by the Macau government, each of SJM, Galaxy and Wynn Macau subsequently entered into subconcession contracts with their respective subconcessionaires to operate casino games and other games of chance in Macau. No further granting of subconcessions is permitted unless specifically authorized by the Macau government.

Though there are no restrictions on the number of casinos or gaming areas that may be operated under each concession or subconcession, Macau government approval is required for the commencement of operations of any casino or gaming area.

The subconcessionaires that entered into subconcession contracts with Wynn Macau, SJM and Galaxy are Melco Resorts Macau, MGM Grand Paradise and VML, respectively. Our subsidiary, Melco Resorts Macau, executed the Subconcession Contract with Wynn Macau on September 8, 2006. Wynn Macau will continue to develop and run hotel operations and casino projects independent of ours.

All concessionaires and subconcessionaires must pay a special gaming tax of 35% of gross gaming revenues, defined as all gaming revenues derived from casino or gaming areas, plus an annual gaming premium of:

- MOP30 million (equivalent to approximately US$3.8 million) per annum fixed premium;
- MOP300,000 (equivalent to approximately US$37,569) per annum per VIP gaming table;
- MOP150,000 (equivalent to approximately US$18,784) per annum per mass market gaming table; and
- MOP1,000 (equivalent to approximately US$125) per annum per electric or mechanical gaming.

The Macau government has been considering the extension, renewal or grant of new concessions and subconcessions. As part of such efforts, in May 2016, the Macau government conducted a mid-term review to analyze the impact of the gaming industry on the local economy, business environment of small and medium enterprises, local population and gaming and non-gaming business sectors and the current status of the gaming promoters.

The Subconcession Contract in Macau

The Subconcession Contract in Macau provides for the terms and conditions of the subconcession granted to Melco Resorts Macau by Wynn Macau. Melco Resorts Macau does not have the right to further grant a subconcession or transfer the operation to third parties.

Melco Resorts Macau paid a consideration of US$900 million to Wynn Macau. On September 8, 2006, Melco Resorts Macau was granted the right to operate games of fortune and chance or other games in casinos in Macau until the expiration of the subconcession on June 26, 2022. No further payments need to be made to Wynn Macau in future operations during the concession period.

The Macau government has confirmed that the subconcession is independent of Wynn Macau’s concession and that Melco Resorts Macau does not have any obligations to Wynn Macau pursuant to the Subconcession Contract. It is thus not affected by any modification, suspension, redemption, termination or rescission of Wynn Macau’s concession. In addition, an early termination of Wynn Macau’s concession before June 26, 2022, would not result in the termination of the subconcession. The subconcession was authorized and approved by the Macau government. Absent any change to Melco Resorts Macau’s legal status, rights, duties and obligations towards the Macau government or any change in applicable law, Melco Resorts Macau will continue

to be validly entitled to operate independently under and pursuant to the subconcession, notwithstanding the termination or rescission of Wynn Macau's concession, the insolvency of Wynn Macau and/or the replacement of Wynn Macau as concessionaire in the Subconcession Contract. The Macau government has a contractual obligation to the effect that, should Wynn Macau cease to hold the concession prior to June 26, 2022, the Macau government would replace Wynn Macau with another entity so as to ensure that Melco Resorts Macau may continue to operate games of chance and other games in casinos in Macau and the subconcession would at all times be under a concession. Both the Macau government and Wynn Macau have undertaken to cooperate with Melco Resorts Macau to ensure all the legal and contractual obligations are met.

A summary of the key terms of the Subconcession Contract is as follows.

Development of Gaming Projects/Financial Obligations. The Subconcession Contract requires us to make a minimum investment in Macau of MOP4.0 billion (equivalent to approximately US$500.9 million), including investment in fully developing Altira Macau and the City of Dreams, by December 2010. In June 2010, we obtained confirmation from the Macau government that as of the date of the confirmation, we had invested over MOP4.0 billion (equivalent to approximately US$500.9 million) in our projects in Macau.

Payments. Subconcession premiums and taxes, computed in various ways depending upon the type of gaming or activity involved, are payable to the Macau government. The method for computing these fees and taxes may be changed from time to time by the Macau government. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly or annually and are based upon either a percentage of the gross revenues or the number and type of gaming devices operated. In addition to special gaming taxes of 35% of gross gaming revenues, we are also required to contribute to the Macau government an amount equivalent to 1.6% of the gross revenues of our gaming business. Such contribution must be delivered to a public foundation designated by the Macau government whose goal is to promote, develop or study culture, society, economy, education and science and engage in academic and charitable activities. Furthermore, we are also obligated to contribute to Macau an amount equivalent to 2.4% of the gross revenues of the gaming business for urban development, tourism promotion and the social security of Macau. We are required to collect and pay, through withholding, statutory taxes on commissions or other remunerations paid to gaming promoters.

Termination Rights. The Macau government has the right, after notifying Wynn Macau, to unilaterally terminate Melco Resorts Macau's subconcession in the event of non-compliance by us with our basic obligations under the subconcession and applicable Macau laws. Upon termination, all of our casino premises and gaming equipment would revert to the Macau government automatically without compensation to us and we would cease to generate any revenues from these operations. In many of these instances, the Subconcession Contract does not provide a specific cure period within which any such events may be cured and, instead, we may be dependent on consultations and negotiations with the Macau government to give us an opportunity to remedy any such default. Neither Melco Resorts Macau nor Wynn Macau is granted explicit rights of veto, or of prior consultation. The Macau government may be able to unilaterally rescind the Subconcession Contract upon the following termination events:

- the operation of gaming without permission or operation of business which does not fall within the business scope of the subconcession;
- abandonment of approved business or suspension of operations of our gaming business in Macau without reasonable grounds for more than seven consecutive days or more than 14 non-consecutive days within one calendar year;
- transfer of all or part of Melco Resorts Macau's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of fortune or chance and other casino games in Macau and without Macau government approval;
- failure to pay taxes, premiums, levies or other amounts payable to the Macau government;

- refusal or failure to resume operations following the temporary assumption of operations by the Macau government;
- repeated opposition to the supervision and inspection by the Macau government and failure to comply with decisions and recommendations of the Macau government, especially those of the DICJ, applicable to us;
- failure to provide or supplement the guarantee deposit or the guarantees specified in the subconcession within the prescribed period;
- bankruptcy or insolvency of Melco Resorts Macau;
- fraudulent activity harming public interest;
- serious and repeated violation of the applicable rules for carrying out casino games of chance or games of other forms or damage to the fairness of casino games of chance or games of other forms;
- systematic non-compliance with the Macau Gaming Law's basic obligations;
- the grant to any other person of any managing power over the gaming business of Melco Resorts Macau or the grant of a subconcession or entering into any agreement to the same effect; or
- failure by a controlling shareholder in Melco Resorts Macau to dispose of its interest in Melco Resorts Macau, within 90 days from the date of the authorization given by the Macau government for such disposal, pursuant to written instructions received from the regulatory authority of a jurisdiction where the said shareholder is licensed to operate, which have had the effect that such controlling shareholder now wishes to dispose of the shares it owns in Melco Resorts Macau.

Ownership and Capitalization. Set out below are the key terms in relation to ownership and capitalization under the Subconcession Contract:

- any person who directly acquires voting rights in Melco Resorts Macau will be subject to authorization from the Macau government;
- Melco Resorts Macau will be required to take the necessary measures to ensure that any person who directly or indirectly acquires more than 5% of the shares in Melco Resorts Macau would be subject to authorization from the Macau government, except when such acquisition is wholly made through the shares of publicly-listed companies tradable at a stock exchange;
- any person who directly or indirectly acquires more than 5% of the shares in Melco Resorts Macau will be required to report the acquisition to the Macau government (except when such acquisition is wholly made through shares tradable on a stock exchange as a publicly-listed company);
- the Macau government's prior approval would be required for any recapitalization plan of Melco Resorts Macau; and
- the Chief Executive of Macau could require the increase of Melco Resorts Macau's share capital, if deemed necessary.

Redemption. Under the Subconcession Contract, from 2017, the Macau government has the right to redeem the Subconcession Contract by providing us with at least one year's prior notice. In the event the Macau government exercises this redemption right, we would be entitled to compensation. The standards for the calculation of the amount of such compensation would be determined based on the gross revenues generated by City of Dreams during the tax year immediately prior to the redemption, multiplied by the remaining years of the term of the subconcession. We would not receive any further compensation (including for consideration paid to Wynn Macau for the subconcession).

Others. In addition, the Subconcession Contract contains various general covenants and obligations and other provisions, including special duties of cooperation, special duties of information, and execution of our investment obligations.

See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Macau — Melco Resorts Macau's Subconcession Contract expires in June 2022 and if we were unable to secure a new concession or subconcession or an extension of the subconcession, in 2022, or if the Macau government were to exercise its redemption right, we would be unable to operate casino gaming in Macau."

PAGCOR Licenses in the Philippines

The Philippine License issued by PAGCOR authorizes the Philippine Licensees, through Melco Resorts Leisure, to establish and operate a casino in the Philippines for both local and foreign patrons who are at least twenty-one years of age.

In general, the Philippine License imposes certain obligations such as, but not limited to, the following:

- payment of monthly license fees to PAGCOR;
- maintenance of a debt-to-equity ratio (based on calculation as agreed with PAGCOR) for each of the Philippine Licensees of no greater than 70:30;
- at least 95.0% of the total employees of City of Dreams Manila must be Philippine citizens;
- 2.0% of certain casino revenues must be remitted to a foundation devoted to the restoration of cultural heritage and 5.0% of certain non-gaming revenues to PAGCOR; and
- operation of only the authorized casino games approved by PAGCOR.

See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in the Philippines — MRP's gaming operations are dependent on the Philippine License issued by PAGCOR."

Gaming License in Cyprus

Under the Cyprus License, Integrated Casino Resorts is granted the right to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term. The Cyprus License imposes certain requirements on Integrated Casino Resorts and their service providers.

The Cyprus License is also subject to suspension or termination upon the occurrence of certain events. The requirements imposed by the Cyprus License include, among others:

- payment of an annual license fee of EUR2.5 million (equivalent to approximately US$3.1 million) per year for the first four-year period commencing from the date of grant of the Cyprus License on June 26, 2017 and an annual license fee of EUR5.0 million (equivalent to approximately US$6.1 million) per year for the second four-year period as annual license fees for the operation of the temporary casino and City of Dreams Mediterranean to the government of Cyprus. Upon completion of the above eight-year period and for each four-year period thereafter, the government of Cyprus may review the annual license fee payable for each four-year term, provided that the annual license fee payable per year shall be no less than EUR5.0 million (equivalent to approximately US$6.1 million) and subject to a maximum percentage increase.
- payment of annual license fee of EUR1.0 million (equivalent to approximately US$1.2 million) per year for the satellite casino in Nicosia since its commencement of operations in 2018 and annual license fee of EUR0.5 million (equivalent to approximately US$0.6 million) per year for each of the satellite casinos in Larnaca (which ceased operation in June 2020), Ayia Napa and Paphos since their operations commenced in 2018, 2019 and 2020, respectively.

- payment of a monthly casino tax of an amount equal to 15% of the gross gaming revenue, such percentage not to be increased during the initial 15-year exclusivity period under the Cyprus License.

Following the extension granted by the government of Cyprus, we are also currently required under the Cyprus License to complete the City of Dreams Mediterranean project and commence operations by September 30, 2022. If we are unable to commence operations by September 30, 2022, with no further extension granted by the government of Cyprus and the government of Cyprus exercises its right to terminate the Cyprus License, we could lose all or substantially all of our investment in Cyprus and may not be able to continue our operations in Cyprus as planned. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We are developing the City of Dreams Mediterranean project in Cyprus and we are required under the Cyprus License to open the integrated casino resort by September 30, 2022. If we do not open City of Dreams Mediterranean by that time and the government of Cyprus does not grant us an extension of the opening date, we would be required to pay a penalty to the Cyprus government or even have the Cyprus License terminated if such delay continues beyond a grace period."

See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Cyprus — Cyprus's gaming operations are dependent on the Cyprus License issued by CGC and any failure to comply with the terms of the Cyprus License could have a material adverse effect on our business, financial condition and results of operations."

Tax

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we and our subsidiaries incorporated in the Cayman Islands are not subject to Cayman Islands income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands. However, we and certain subsidiaries are subject to Hong Kong profits tax on profits arising from our activities conducted in Hong Kong.

Our subsidiaries incorporated in the British Virgin Islands are not subject to tax in the British Virgin Islands, but certain subsidiaries incorporated in the British Virgin Islands are subject to Hong Kong profits tax of 16.5% on profits arising from our activities conducted in Hong Kong and Macau complementary tax of 12% on profits earned in or derived from its activities conducted in Macau.

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of up to 12% on profits earned in or derived from their activities conducted in Macau. Melco Resorts Macau applied for and was granted the benefit of a corporate tax holiday on Macau complementary tax (but not gaming tax) from 2017 through 2021. In addition, the Macau government granted one of our subsidiaries in Macau the complementary tax exemption until 2021 on profits generated from income received from Melco Resorts Macau, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. The dividend distributions of such subsidiary to its shareholders continue to be subject to complementary tax. We remain subject to Macau complementary tax on our non-gaming profits.

For the five-year period from 2017 through 2021, an annual payment of MOP18.9 million (equivalent to approximately US$2.4 million) is payable by Melco Resorts Macau, with respect to tax due for dividend distributions to the shareholders of Melco Resorts Macau from gaming profits, whether such dividends are actually distributions by Melco Resorts Macau or not, or whether Melco Resorts Macau has distributable profits in the relevant year. Upon the payment of such payment amount, the shareholders of Melco Resorts Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. However, we cannot assure you that the same arrangement will be applied beyond 2021 or that, in the event a similar arrangement is adopted, whether we will be required to pay a higher annual sum.

Melco Resorts Macau is subject to Macau gaming tax based on gross gaming revenue in Macau. These gaming taxes are an assessment on Melco Resorts Macau's gaming revenue and are recorded as casino expense.

The Macau government granted to Altira Resorts in 2007, and COD Resorts, in 2011 and 2013, the declaration of utility purposes benefit in respect of Altira Macau, The Countdown, Nüwa and Grand Hyatt Macau hotel, pursuant to which they are entitled to a property tax holiday, for a period of 12 years, on any immovable property that they own or is operated by them. Under such declaration of utility purposes benefit, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for the purposes of assessing the Macau complementary tax. The transfer of the declaration of utility purpose to COD Resorts and Altira Resorts was requested on November 8, 2017 and was duly approved by the Macau government.

In September 2017, the Macau government granted Studio City Hotels the declaration of touristic utility purpose pursuant to which Studio City Hotels is entitled to a property tax holiday for a period of twelve years on the immovable property to which the touristic utility was granted, owned or operated by Studio City Hotels. Under such tax holiday, Studio City Hotels is allowed to double the maximum rates applicable to depreciation and reintegration for the purposes of assessment of the Macau complementary tax. Although the Studio City property is owned by Studio City Developments Limited, we believe Studio City Hotels is entitled to such property tax holiday; however, there is no assurance that the Macau government will extend such benefit to Studio City Hotels.

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax of 16.5% on any profits arising in or derived from Hong Kong. One of our subsidiaries incorporated in Hong Kong is also subject to Macau complementary tax on profits earned in or derived from its activities conducted in Macau and another one is subject to corporate tax on profits in a number of other Asian jurisdictions through its activities conducted in these jurisdictions.

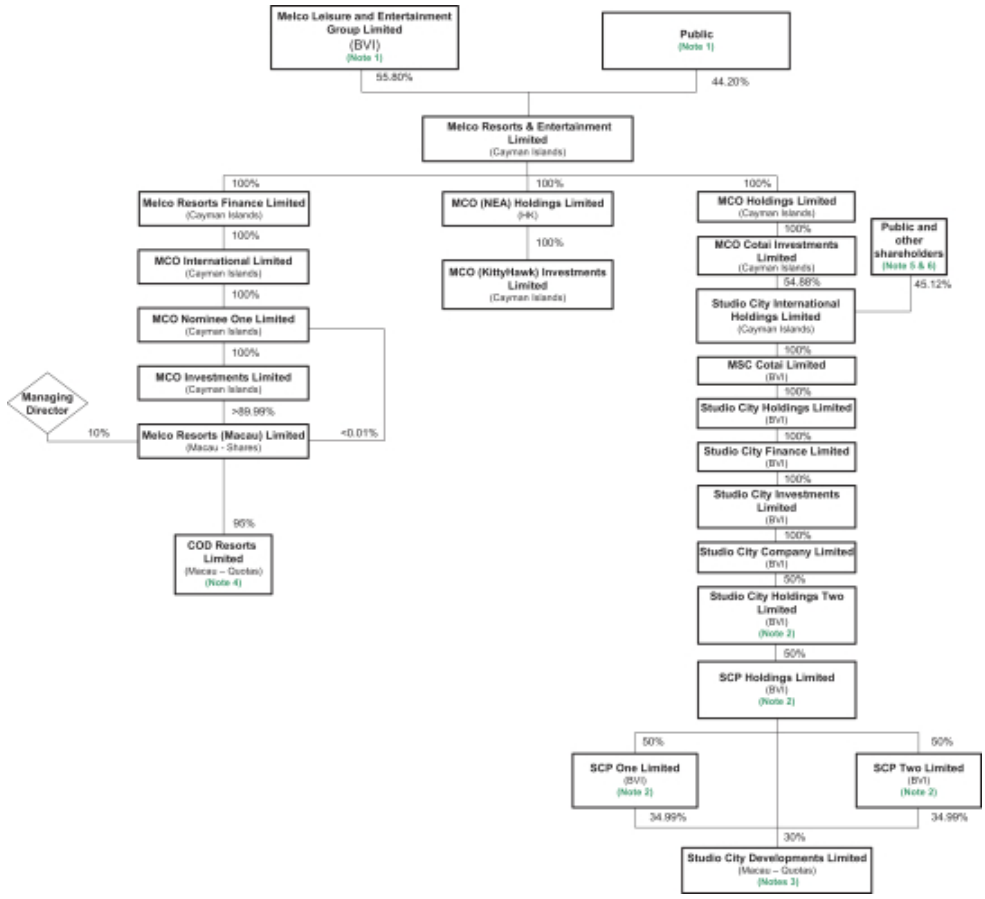
Our subsidiaries incorporated in the Philippines are subject to Philippine corporate income tax of 30% on profits and other local taxes. On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) was signed by President Duterte of the Philippines as Republic Act (RA) No. 11534, which was published in the Official Gazette of the Philippines on March 27, 2021 and is set to take effect 15 days after the such publication in the Official Gazette. CREATE would reduce the minimum corporate income tax from 2% to 1% from July 1, 2020 to June 30, 2023 and the corporate income tax rate from 30% to 25% starting July 1, 2020. Some of the subsidiaries are liable for VAT on certain transactions. On gaming related transactions, Melco Resorts Leisure enjoys exemption from national, local, direct and indirect (i.e. VAT) taxes pursuant to the PAGCOR charter and is subject to license fees which are inclusive of the 5% franchise tax payable to PAGCOR based on gross gaming revenue in the Philippines, in lieu of all other taxes. The franchise tax and license fees are an assessment on Melco Resorts Leisure’s gaming revenue and are recorded as casino expense in the consolidated statements of operations. Further, Melco Resorts Leisure, by virtue of its being registered with the Philippine Economic Zone Authority as a Tourism Economic Zone Enterprise, enjoys a tax and duty exemption on importation and VAT zero-rating on its local purchases of certain capital equipment used in registered activities.

Our subsidiaries incorporated in Cyprus are subject to Cyprus corporate income tax of 12.5% on income earned in or derived from Cyprus and abroad. Our gaming revenues in Cyprus are exempt from VAT while our subsidiaries are liable for VAT on certain non-gaming transactions. Pursuant to the Cyprus License, a casino tax of 15% is imposed on gross gaming revenues in Cyprus. These casino taxes are recorded as a casino expense in the consolidated statements of operations.

C. ORGANIZATIONAL STRUCTURE

We are a holding company for the following principal businesses and developments: (1) 100% economic interest in our Macau gaming subconcession holder, Melco Resorts Macau, which, directly or indirectly through its subsidiary, is the operator of our gaming and non-gaming businesses in various properties in Macau; (2) a majority equity and economic interest in SCI, the holding company of Studio City; (3) a majority equity and economic interest in MRP, the holding company of City of Dreams Manila; and (4) a majority equity and economic interest in ICR Cyprus, the holding company of our current operations in Cyprus including a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos and the City of Dreams Mediterranean in development.

The following diagram illustrates our organizational structure, including the place of formation, ownership interest and affiliation of our significant subsidiaries, as of March 26, 2021:



Notes:

(1) Based on 1,456,547,942 shares outstanding as of March 26, 2021. The 1,456,547,942 shares outstanding include shares held by our depositary bank to facilitate the administration and operation of our share incentive plans. Such shares represent 0.94% of the Company's outstanding shares as of March 26, 2021. For a description of our share incentive plans, see "Item 6. Directors, Senior Management and Employees – E. Share Ownership – Share Incentive Plans".

(2) The remaining 50% of the equity interests of these companies are owned by Studio City Holdings Five Limited, a wholly-owned subsidiary of SCI. The 50% interest held by Studio City Holdings Five Limited in various Studio City companies incorporated in the British Virgin Islands is non-voting.

(3) 0.02% of the equity interests are owned by Studio City Holdings Five Limited.

(4) The remaining 5% of the equity interests are owned by MCO Nominee Two Limited.

(5) New Cotai, LLC owns 72,511,760 Class B ordinary shares of SCI. In addition, based on information contained in the Schedule 13G filed by New Cotai, LLC on February 16, 2021, as of December 31, 2020, New Cotai, LLC beneficially owns SC ADSs representing 30,774,116 Class A Ordinary Shares of SCI.

(6) Based on information contained in the Schedule 13G/A filed by Silver Point Capital, L.P. on February 16, 2021, as of December 31, 2020, Silver Point Capital, L.P. beneficially owns SC ADSs representing 61,570,720 Class A Ordinary Shares of SCI.

See "Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders" for more information regarding the beneficial ownership of Melco International in our Company and "Exhibit 8.1 — List of Significant Subsidiaries."

D. PROPERTY, PLANT AND EQUIPMENT

See "Item 4. Information on the Company — B. Business Overview" and "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Investing Activities" and "— Other Financing and Liquidity Matters" for information regarding our material tangible property, plant and equipment.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto in this Annual Report on Form 20-F. Certain statements in this "Operating and Financial Review and Prospects" are forward-looking statements. See "Special Note Regarding Forward-Looking Statements" regarding these statements.

Overview

We are a holding company and, through our subsidiaries, develop, own and integrated resort facilities in Asia and Europe. Our future operating results are subject to significant business, economic, regulatory and competitive uncertainties and risks, many of which are beyond our control. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations." For detailed information regarding our operations and development projects, see "Item 4. Information on the Company — B. Business Overview."

A. OPERATING RESULTS

Operations

Our primary business segments consist of:

Macau

City of Dreams

In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, City of Dreams had an average of approximately 496 gaming tables and approximately 487 gaming machines. As of December 31, 2020, City of Dreams offered approximately 2,170 hotel rooms, suites and villas (inclusive of the approximately 770 rooms, suites and villas offered by Morpheus following its opening in June 2018 and the approximately 300 guest rooms at Nüwa which was under renovation since early 2020 and recently re-opened at the end of March 2021), approximately 25 restaurants and bars, approximately 165 retail outlets, a wet stage performance theater (temporarily closed since late June 2020), recreation and leisure facilities, including health and fitness clubs,

three swimming pools, spas and salons and banquet and meeting facilities. The opening of Morpheus in June 2018 also provides an additional pool, spa and salon, fitness club, executive lounge and four restaurants. The wet stage performance theater with approximately 2,000 seats features The House of Dancing Water (temporarily closed since late June 2020) produced by Franco Dragone. The Club Cubic nightclub features approximately 2,395 square meters (equivalent to approximately 25,780 square feet) of live entertainment space. City of Dreams targets premium market and rolling chip players from regional markets across Asia.

We opened Morpheus, the third phase of City of Dreams, in June 2018.

For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from City of Dreams amounted to US$985.6 million, US$3,050.5 million and US$2,543.6 million, representing 57.0%, 53.2% and 49.0% of our total operating revenues, respectively.

Altira Macau

In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Altira Macau had an average of approximately 97 gaming tables and 110 gaming machines operated as a Mocha Club at Altira Macau. In addition, Altira Macau had approximately 230 hotel rooms as of December 31, 2020 and features several fine dining and casual restaurants and recreation and leisure facilities. Altira Macau is designed to provide a casino and hotel experience that caters to Asian rolling chip players sourced primarily through gaming promoters. For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from Altira Macau amounted to US$108.9 million, US$465.1 million and US$471.3 million, representing 6.3%, 8.1% and 9.1% of our total operating revenues, respectively.

Studio City

Studio City is a large-scale cinematically-themed integrated resort located in Cotai, with gaming facilities, luxury hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers, with a current focus on the mass market segment and complemented with junket and premium direct VIP rolling chip operations in Asia. In December 2020, Studio City announced that Melco Resorts Macau would continue VIP rolling chip operations at the Studio City Casino until December 31, 2021, subject to early termination with 30 days' prior notice. Studio City opened its doors to customers in October 2015. In October 2018, Studio City listed its SC ADS on the New York Stock Exchange, following which we continued to retain a majority equity interest in SCI. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Studio City had an average of approximately 282 gaming tables and 586 gaming machines. For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from Studio City amounted to US$266.5 million, US$1,355.3 million and US$1,368.4 million, representing 15.4%, 23.6% and 26.4% of our total operating revenues, respectively.

Mocha Clubs

In 2020, excluding gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Mocha Clubs had eight clubs with an average of approximately 870 gaming machines in operation (including approximately 110 gaming machines at Altira Macau). Mocha Clubs focus primarily on general mass market players, including day-trip customers, outside the conventional casino setting. For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from Mocha Clubs amounted to US$65.3 million, US$117.5 million and US$113.4 million, representing 3.8%, 2.0% and 2.2% of our total operating revenues, respectively. The source of revenues was substantially all from gaming machines. For the years ended December 31, 2020, 2019 and 2018, gaming machine revenues represented 96.3%, 96.6% and 97.7% of operating revenues generated from Mocha Clubs, respectively.

Corporate and Other

Corporate and Other primarily includes Grand Dragon Casino, a casino on Taipa Island, Macau, operating within Grand Dragon Hotel, which we operate under a right-to-use agreement, our development projects in Japan and other corporate costs. For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from Corporate and Other amounted to US$25.9 million, US$51.3 million and US$46.3 million, representing 1.5%, 0.9% and 0.9% of our total operating revenues, respectively.

Philippines

City of Dreams Manila

City of Dreams Manila opened its doors to customers in December 2014, with a grand opening in the first quarter of 2015. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, City of Dreams Manila had an average of approximately 2,262 gaming machines and 302 gaming tables. City of Dreams Manila also includes three branded hotel towers, several entertainment venues and features a wide selection of regional and international food and beverage offerings as well as extended retail shops. For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from City of Dreams Manila amounted to US$224.7 million, US$602.5 million and US$612.9 million, representing 13.0%, 10.5% and 11.8% of our total operating revenues, respectively.

Cyprus

We currently operate and manage a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos in Cyprus. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, our facilities in Cyprus had an average of approximately 336 gaming machines and 28 gaming tables. For the years ended December 31, 2020, 2019 and 2018, operating revenues generated from our operations in Cyprus amounted to US$51.0 million, US$94.7 million and US$33.0 million, representing 3.0%, 1.7% and 0.6% of our total operating revenues, respectively.

Summary of Financial Results

For the year ended December 31, 2020, our total operating revenues were US$1.73 billion, a decrease of 69.9% from US$5.74 billion for the year ended December 31, 2019. Net loss attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2020 was US$1.26 billion, as compared to net income attributable to Melco Resorts & Entertainment Limited of US$373.2 million for the year ended December 31, 2019. The decrease in profitability was primarily attributable to softer performance in all gaming segments and non-gaming operations as a result of the COVID-19 pandemic, which resulted in temporary casino closures and a significant decline in inbound tourism in 2020.

	Year Ended December 31,		
	2020	2019	2018
	(in thousands of US$)		
Total operating revenues	$ 1,727,923	$ 5,736,801	$ 5,188,942
Total operating costs and expenses	(2,668,480)	(4,989,123)	(4,575,495)
Operating (loss) income	(940,557)	747,678	613,447
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$(1,263,492)	$ 373,173	$ 340,299

Our results of operations and financial position for the years presented are not fully comparable for the following reasons:

- On June 15, 2018, Morpheus commenced operations with its grand opening on the same date

- On August 31, 2018, Melco Resorts Leisure partially redeemed the Philippine Notes in an aggregate principal amount of PHP5.5 billion, together with accrued interest
- In October 2018, SCI completed its initial public offering of 28,750,000 SC ADSs (equivalent to 115,000,000 Class A ordinary shares of SCI)
- In November 2018, SCI completed the exercise by the underwriters of their over-allotment option in full to purchase an additional 4,312,500 SC ADSs from SCI
- On December 13, 2018, MCO Investments completed the tender offer for common shares of MRP and, together with an additional of 107,475,300 shares acquired by MCO Investments on or after December 6, 2018, increased the Company's equity interest in MRP from approximately 72.8% immediately prior to the announcement of the tender offer to approximately 97.9% on December 13, 2018
- On December 28, 2018, Melco Resorts Leisure redeemed all of the Philippine Notes which remained outstanding
- On December 31, 2018, Studio City Finance partially redeemed the 2020 Studio City Notes in an aggregate principal amount of US$400.0 million, together with accrued interest
- On January 22, 2019, Studio City Finance commenced the 2020 Studio City Notes Tender Offer, which expired on February 4, 2019. The aggregate principal amount of valid tenders received and not validly withdrawn under the 2020 Studio City Notes Tender Offer amounted to US$216.5 million
- On February 11, 2019, Studio City Finance issued US$600.0 million in aggregate principal amount of 2024 Studio City Notes, the net proceeds of which were used to pay the tendering noteholders from the 2020 Studio City Notes Tender Offer and, on March 13, 2019, to redeem, together with accrued interest, all remaining outstanding amounts of the 2020 Studio City Notes
- On April 26, 2019, Melco Resorts Finance issued US$500.0 million in aggregate principal amount of the 2026 Senior Notes, the net proceeds from which were used to partially repay the principal amount outstanding under the revolving credit facility under the 2015 Credit Facilities
- On June 6, 2019, we acquired an approximately 9.99% ownership interest in Crown Resorts for which we paid the purchase price of AUD879.8 million (equivalent to approximately US$617.8 million based on the exchange rate on the transaction date)
- On July 17, 2019, Melco Resorts Finance issued US$600.0 million in aggregate principal amount of the 2027 Senior Notes, the net proceeds from which were used to partially repay the principal amount outstanding under the revolving credit facility under the 2015 Credit Facilities
- On July 31, 2019, we acquired a 75% equity interest in ICR Cyprus, whose subsidiaries are operating a temporary casino in Limassol and is licensed to operate four satellite casinos, as well as developing City of Dreams Mediterranean
- On November 30, 2019, Studio City Finance fully repaid the 2019 Studio City Company Notes upon its maturity with cash on hand
- On December 4, 2019, Melco Resorts Finance issued US$900.0 million in aggregate principal amount of the First 2029 Senior Notes, the net proceeds from which were used to fully repay the principal amount outstanding under the revolving credit facility and to partially repay the principal amount outstanding under the term loan facility under the 2015 Credit Facilities
- On April 29, 2020, we sold all of our approximately 9.99% ownership interest in Crown Resorts at the aggregate price of AUD551.6 million (equivalent to approximately US$359.1 million based on the exchange rate on the transaction date)
- On April 29, 2020, our subsidiary, MCO Nominee One, as borrower, entered into the 2020 Credit Facilities pursuant to which the lenders have made available HK$14.85 billion (equivalent to US$1.92 billion) in a revolving credit facility for a term of five years

- On May 6, 2020, MCO Nominee One drew down HK$2.73 billion (equivalent to US$352.2 million) under the 2020 Credit Facilities and, on May 7, 2020, we used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, other than HK$1.0 million (equivalent to US$129,000) which remained outstanding under the term loan facility for the 2015 Credit Facilities. On May 7, 2020, following the repayment of outstanding amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, a part of the revolving credit facility commitments under the 2015 Credit Facilities were canceled, following which the available revolving credit facility commitments under the 2015 Credit Facilities were HK$1.0 million (equivalent to US$129,000)
- On July 15, 2020, Studio City Finance issued US$500 million in aggregate principal amount of the 2025 Studio City Notes and US$500 million in aggregate principal amount of the 2028 Studio City Notes, net proceeds from which a portion were used to redeem in full by Studio City Company of the 2021 Studio City Company Notes
- On July 21, 2020, Melco Resorts Finance issued US$500.0 million in aggregate principal of the First 2028 Senior Notes, the net proceeds from which were used to repay the principal amount outstanding for the revolving credit facility under the 2020 Credit Facilities
- On August 11, 2020, Melco Resorts Finance issued US$350.0 million in aggregate principal of the Additional 2028 Senior Notes
- In relation to Studio City Private Placements, Studio City International Holdings Limited completed a US$500 million private placement of shares. The net proceeds from this private placement was approximately US$499.2 million, of which US$291.2 million was from noncontrolling interests.
- On September 23, 2020, MCO Nominee One drew down HK$1.94 billion (equivalent to US$249.9 million) of the revolving credit facility under the 2020 Credit Facilities

Our operations continue to be impacted by significant travel bans, restrictions and quarantine requirements imposed by the governments in Macau, the Philippines, Hong Kong and certain provinces in China on visitors traveling to and from Macau and to and from the Philippines as well as by the Cyprus government on visitors traveling to Cyprus, and such bans, restrictions and requirements have been, and may continue to be, modified by the relevant authorities from time to time as COVID-19 developments unfold. In addition, lifted measures may be reintroduced if there are adverse developments in the COVID-19 situation in the jurisdictions in which we operate and other regions with access to such jurisdictions.

Other than during the 15-day closure mandated by the Macau government in February 2020, our casinos and hotel facilities in Macau have remained open except that Altira Macau opened shortly after the conclusion of the 15-day closure period. The majority of retail outlets in our Macau properties are open with reduced operating hours. Operating hours at our dining and entertainment facilities in Macau are continuously being adjusted in line with customer visitation, and we have closed certain facilities due to low visitation. The timing and manner in which these areas will return to full operation are currently unknown. Furthermore, health-related precautionary measures remain in place at our properties in Macau, which could continue to impact visitation and customer spending.

In the Philippines, City of Dreams Manila was closed due to the enhanced community quarantine for the entire island of Luzon, including Metro Manila, which began on March 16, 2020. However, as permitted by PAGCOR, since June 19, 2020, City of Dreams Manila has conducted a dry run of its gaming and hospitality operations with a limited number of participants strictly adhering to the new guidelines on social distancing and hygiene and sanitation procedures imposed by the government of the Philippines. Notwithstanding the general community quarantine that remained in place in Metro Manila from August 19, 2020 to March 28, 2021, except for a short period in August 2020 when Metro Manila was placed under modified enhanced community quarantine, City of Dreams Manila’s casino has been opened since June 19, 2020, allowing a limited capacity of

players and guests. Subject to certain restrictions imposed by the Philippine Department of Tourism, our three hotels at City of Dreams Manila also resumed limited operations commencing from around October 2020 and certain of the dining establishments at City of Dreams Manila also resumed operations at a limited operational capacity during the last quarter of 2020. However, on March 27, 2021, the Philippine Government re-imposed the enhanced community quarantine over Metro Manila and adjacent provinces from March 29, 2021 to April 4, 2021 to stem the recent surge of COVID-19 cases. Under the enhanced community quarantine, additional restrictions were introduced that included prohibitions of mass gatherings, restrictions of movements of persons aged above 65 and under 18 and the imposition of a curfew from 6 p.m. to 5 a.m. City of Dreams Manila also temporarily closed beginning on March 29, 2021, and will remain closed for the duration of the enhanced community quarantine period.

As a result of measures imposed by the Cyprus government, our Cyprus operations were closed with effect from March 16, 2020 until June 13, 2020. Commencing from October 23, 2020, the cities of Limassol and Paphos became subject to a 11 p.m. to 5 a.m. curfew, and our operations in those cities were required to be closed during those hours while the curfew remained in place. On November 12, 2020, as part of a regional lockdown, our casino operations in Limassol and Paphos were suspended until November 30, 2020. Thereafter, the government of Cyprus announced nationwide measures from November 30, 2020 to December 31, 2020, in an effort to prevent the spread of COVID-19 which included, among others, curfews, restrictions on gatherings, sports activities and operation of food and beverage and retail businesses and closure of various other businesses, including our casino operations in Cyprus. Our operations in Cyprus are currently closed and will remain closed while such measures remain in place.

The disruptions to our business caused by the COVID-19 pandemic have had a material and adverse effect on our business, financial condition and results of operations and as such disruptions are ongoing, such material and adverse effects will likely continue. We expect that gross gaming revenues in the jurisdictions in which we operate will continue to be negatively impacted by the COVID-19 pandemic. We have taken various mitigating measures to manage through the COVID-19 pandemic challenges, such as implementing a cost reduction program to minimize cash outflow of non-essential items and rationalizing our capital expenditure program with deferrals and reductions which benefits our balance sheet.

Given the uncertainty around the extent and duration of the COVID-19 pandemic and around the imposition or relaxation of protective measures, we cannot reasonably estimate the impact to our future results of operations, cash flows and financial condition. Moreover, even if the COVID-19 pandemic subsides, there is no guarantee that travel and consumer sentiment will rebound quickly or at all. See "*Risk Factors — Risks Relating to Our Business — The COVID-19 pandemic has had, and will likely to continue to have, a material and adverse effect on our business, financial condition and results of operations.*"

Key Performance Indicators (KPIs)

We use the following KPIs to evaluate our casino operations, including table games and gaming machines:

- *Rolling chip volume:* the amount of non-negotiable chips wagered and lost by the rolling chip market segment.
- *Rolling chip win rate:* rolling chip table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of rolling chip volume.
- *Mass market table games drop:* the amount of table games drop in the mass market table games segment.
- *Mass market table games hold percentage:* mass market table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino

revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of mass market table games drop.

- *Table games win:* the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues. Table games win is calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis.
- *Gaming machine handle:* the total amount wagered in gaming machines.
- *Gaming machine win rate:* gaming machine win (calculated before non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) expressed as a percentage of gaming machine handle.

In the rolling chip market segment, customers purchase identifiable chips known as non-negotiable chips, or rolling chips, from the casino cage, and there is no deposit into a gaming table's drop box for rolling chips purchased from the cage. Rolling chip volume and mass market table games drop are not equivalent. Rolling chip volume is a measure of amounts wagered and lost. Mass market table games drop measures buy in. Rolling chip volume is generally substantially higher than mass market table games drop. As these volumes are the denominator used in calculating win rate or hold percentage, with the same use of gaming win as the numerator, the win rate is generally lower in the rolling chip market segment than the hold percentage in the mass market table games segment.

Our combined expected rolling chip win rate across our properties is in the range of 2.85% to 3.15%.

We use the following KPIs to evaluate our hotel operations:

- *Average daily rate:* calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day.
- *Occupancy rate:* the average percentage of available hotel rooms occupied, including complimentary rooms, during a period.
- *Revenue per available room, or REVPAR:* calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy.

Complimentary rooms are included in the calculation of the above room-related KPIs. The average daily rate of complimentary rooms is typically lower than the average daily rate for cash rooms. The occupancy rate and REVPAR would be lower if complimentary rooms were excluded from the calculation. As not all available rooms are occupied, average daily room rates are normally higher than revenue per available room.

During the year ended December 31, 2020, tables games and gaming machines that were not in operation due to government mandated closures or social distancing measures in relation to the COVID-19 outbreak have been excluded. Room statistics also excluded rooms that were temporarily closed or provided to the staff members due to the COVID-19 outbreak.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Revenues

Our total operating revenues for the year ended December 31, 2020 were US$1.73 billion, a decrease of US$4.01 billion, or 69.9%, from US$5.74 billion for the year ended December 31, 2019. The decrease in total

operating revenues was primarily attributable to softer performance in all gaming segments and non-gaming operations as a result of the COVID-19 pandemic, which resulted in temporary casino closures and a significant decline in inbound tourism in 2020.

Our total operating revenues for the year ended December 31, 2020 consisted of US$1.47 billion of casino revenues, representing 85.2% of our total operating revenues, and US$256.6 million of non-casino revenues. Our total operating revenues for the year ended December 31, 2019 consisted of US$4.98 billion of casino revenues, representing 86.8% of our total operating revenues, and US$760.1 million of non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2020 were US$1.47 billion, representing a US$3.51 billion, or 70.4%, decrease from casino revenues of US$4.98 billion for the year ended December 31, 2019, primarily due to softer performance in all gaming segments as a result of the COVID-19 pandemic.

Altira Macau. Altira Macau's rolling chip volume for the year ended December 31, 2020 was US$3.04 billion, representing a decrease of US$14.54 billion, or 82.7%, from US$17.58 billion for the year ended December 31, 2019. The rolling chip win rate was 4.11% for the year ended December 31, 2020, and increased from 3.45% for the year ended December 31, 2019. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$143.1 million for the year ended December 31, 2020, representing a decrease of 76.6% from US$611.0 million for the year ended December 31, 2019. The mass market table games hold percentage was 23.2% for the year ended December 31, 2020, increasing from 21.7% for the year ended December 31, 2019. Average net win per gaming machine per day was US$150 for the year ended December 31, 2020, a decrease of US$45, or 23.0%, from US$195 for the year ended December 31, 2019.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2020 of US$15.70 billion represented a decrease of US$42.59 billion, or 73.1%, from US$58.29 billion for the year ended December 31, 2019. The rolling chip win rate was 4.21% for the year ended December 31, 2020, and increased from 2.93% for the year ended December 31, 2019. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$1.44 billion for the year ended December 31, 2020 which represented a decrease of US$4.07 billion, or 73.8%, from US$5.51 billion for the year ended December 31, 2019. The mass market table games hold percentage was 32.1% for the year ended December 31, 2020, decreasing from 32.3% for the year ended December 31, 2019. Average net win per gaming machine per day was US$230 for the year ended December 31, 2020, a decrease of US$332, or 59.0%, from US$562 for the year ended December 31, 2019.

Mocha Clubs. Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2020 was US$244, a decrease of US$5, or 1.9%, from US$249 for the year ended December 31, 2019.

Studio City. Studio City Casino's rolling chip volume was US$2.21 billion for the year ended December 31, 2020, and decreased from US$10.99 billion for the year ended December 31, 2019. The rolling chip win rate was 2.28% for the year ended December 31, 2020, and decreased from 3.08% for the year ended December 31, 2019. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$0.73 billion for the year ended December 31, 2020, and decreased from US$3.49 billion for the year ended December 31, 2019. The mass market table games hold percentage was 26.6% for the year ended December 31, 2020, representing a decrease from 29.1% for the year ended December 31, 2019. Average net win per gaming machine per day was US$98 for the year ended December 31, 2020, a decrease of US$132, or 57.3%, from US$230 for the year ended December 31, 2019.

City of Dreams Manila. City of Dreams Manila's rolling chip volume for the year ended December 31, 2020 was US$2.11 billion, representing a decrease of US$6.53 billion, or 75.6%, from US$8.64 billion for the year ended December 31, 2019. The rolling chip win rate was 3.34% for the year ended December 31, 2020, and

increased from 2.94% for the year ended December 31, 2019. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$327.7 million for the year ended December 31, 2020, representing a decrease of US$467.7 million, or 58.8%, from US$795.4 million for the year ended December 31, 2019. The mass market table games hold percentage was 33.1% for the year ended December 31, 2020, representing an increase from 31.0% for the year ended December 31, 2019. Average net win per gaming machine per day was US$136 for the year ended December 31, 2020, a decrease of US$122, or 47.3%, from US$259 for the year ended December 31, 2019.

Cyprus operations. Cyprus operations' rolling chip volume for the year ended December 31, 2020 was US$0.3 million, and decreased from US$61.9 million for the year ended December 31, 2019. The rolling chip win rate was negative 28.07% for the year ended December 31, 2020, and decreased from 6.68% for the year ended December 31, 2019. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$62.8 million for the year ended December 31, 2020, representing a decrease of US$80.9 million, or 56.3%, from US$143.7 million for the year ended December 31, 2019. The mass market table games hold percentage was 19.6% for the year ended December 31, 2020, representing a decrease from 20.8% for the year ended December 31, 2019. Average net win per gaming machine per day was US$473 for the year ended December 31, 2020, an increase of US$42, or 9.8%, from US$431 for the year ended December 31, 2019.

Rooms. Room revenues (including complimentary rooms) for the year ended December 31, 2020 were US$108.6 million, representing a decrease of US$241.3 million, or 69.0%, from room revenues (including complimentary rooms) of US$349.9 million for the year ended December 31, 2019. The decrease was primarily due to lower occupancy as a result of the COVID-19 pandemic, which resulted in temporary casino closures and a significant decline in inbound tourism in 2020, as well as the closure of Nűwa for renovation since February 2020.

The average daily rate, occupancy rate and REVPAR of each property are as follows:

	Year Ended December 31,					
	2020	2019	2020	2019	2020	2019
	Average daily rate (US$)		Occupancy rate		REVPAR (US$)	
Altira Macau	164	179	36%	99%	59	177
City of Dreams	210	209	33%	98%	69	205
Studio City	128	135	28%	100%	36	135
City of Dreams Manila	220	176	53%	98%	117	173

Food, beverage and others. Food, beverage and other revenues (including complimentary food and beverage and entertainment services) for the year ended December 31, 2020 included food and beverage revenues of US$74.5 million and entertainment, retail and other revenues of US$73.4 million. Food, beverage and other revenues (including complimentary food and beverage and entertainment services) for the year ended December 31, 2019 included food and beverage revenues of US$235.1 million and entertainment, retail and other revenues of US$175.1 million. The decrease of US$262.2 million in food, beverage and other revenues from the year ended December 31, 2019 to the year ended December 31, 2020 was primarily due to decrease in business activities as a result of the COVID-19 pandemic, which resulted in temporary casino closures, the temporary closure or reduced operating hours of certain of our dining and entertainment facilities and a significant decline in inbound tourism in 2020.

Operating costs and expenses

Total operating costs and expenses were US$2.67 billion for the year ended December 31, 2020, representing a decrease of US$2.32 billion, or 46.5%, from US$4.99 billion for the year ended December 31, 2019.

Casino. Casino expenses decreased by US$1.92 billion, or 58.7%, to US$1.35 billion for the year ended December 31, 2020 from US$3.27 billion for the year ended December 31, 2019, primarily due to the decrease in gaming taxes, which decreased as a result of decreased gaming volumes and associated lower group-wide revenues.

Rooms. Room expenses, which represent the costs of operating the hotel facilities were US$46.7 million and US$89.8 million for the years ended December 31, 2020 and 2019, respectively. The decrease was in-line with lower room revenues for the year ended December 31, 2020.

Food, beverage and others. Food, beverage and other expenses were US$141.5 million and US$281.4 million for the years ended December 31, 2020 and 2019, respectively. The decrease was in-line with lower food, beverage and other revenues for the year ended December 31, 2020.

General and administrative. General and administrative expenses decreased by US$135.1 million, or 24.1%, to US$424.4 million for the year ended December 31, 2020 from US$559.5 million for the year ended December 31, 2019, primarily due to our cost containment efforts in response to the decrease in business activities as a result of the COVID-19 pandemic.

Payments to the Philippine Parties. Payments to the Philippine Parties decreased to US$13.0 million for the year ended December 31, 2020 from US$57.4 million for the year ended December 31, 2019, due to the softer performance in gaming operations and resulting decrease in revenues from gaming operations in City of Dreams Manila.

Pre-opening costs. Pre-opening costs were US$1.3 million and US$4.8 million for the years ended December 31, 2020 and 2019, respectively. Such costs relate primarily to personnel training, rental, marketing, advertising and administrative costs in connection with new or start-up operations.

Development costs. Development costs were US$25.6 million and US$57.4 million for the years ended December 31, 2020 and 2019, respectively, which predominantly related to marketing and promotion costs as well as professional and consultancy fees for corporate business development, including our Japan related developments.

Amortization of gaming subconcession. Amortization expenses for our gaming subconcession continued to be recognized on a straight-line basis and were US$57.4 million and US$56.8 million for the years ended December 31, 2020 and 2019, respectively.

*Amortization of land use rights. A*mortization expenses for the land use rights continued to be recognized on a straight-line basis and were US$22.9 million and US$22.7 million for the years ended December 31, 2020 and 2019, respectively.

Depreciation and amortization. Depreciation and amortization expenses decreased by US$33.5 million, or 5.9%, to US$538.2 million for the year ended December 31, 2020 from US$571.7 million for the year ended December 31, 2019.

Property charges and other. Property charges and other for the year ended December 31, 2020 were US$47.2 million, which primarily included termination costs as a result of departmental restructuring of US$15.7 million, goodwill impairment of US$13.9 million, assets impairment of US$8.1 million and donation in relation to the COVID-19 pandemic of US$4.0 million. Property charges and other for the year ended December 31, 2019 were US$20.8 million, which primarily included assets write-off and other costs as a result of the remodeling of non-gaming attractions of US$14.6 million and termination costs as a result of departmental restructuring of US$3.8 million.

Non-operating expenses, net

Net non-operating expenses consist of interest income, interest expenses, net of amounts capitalized, other financing costs, foreign exchange losses, net, loss on extinguishment of debt, costs associated with debt modification and other non-operating expenses, net.

Interest income was US$5.1 million for the year ended December 31, 2020, as compared to US$9.3 million for the year ended December 31, 2019.

Interest expenses were US$340.8 million (net of amounts capitalized of US$11.8 million) for the year ended December 31, 2020, compared to US$310.1 million (none of which was capitalized) for the year ended December 31, 2019. The increase in interest expenses (net of amounts capitalization) of US$30.7 million was primarily due to higher interest expenses arisen from the issuances of notes and the drawdown of the 2020 Credit Facilities during the year ended December 31, 2020, partially offset by lower interest expenses due to the refinancing of the 2021 Studio City Company Notes, repayments of the revolving credit facility and partial prepayment of the term loan facility under the 2015 Credit Facilities, as well as higher amounts capitalized of US$11.8 million.

Other financing costs for the year ended December 31, 2020 amounted to US$8.0 million, compared to US$2.7 million for the year ended December 31, 2019. The increase in other financing costs was primarily due to the increase in loan commitment fees from the 2020 Credit Facilities which were entered into in late April 2020.

Other expenses, net for the year ended December 31, 2020 amounted to US$151.0 million, compared to US$23.9 million for the year ended December 31, 2019. The change was primarily due to higher fair value loss on our investment of approximately 9.99% of ownership interest in Crown Resorts, which was sold during the year ended December 31, 2020.

Loss on extinguishment of debt for the year ended December 31, 2020 was US$20.0 million, was mainly associated with the early redemption of all outstanding 2021 Studio City Company Notes which was refinanced by the issuance of the 2025 Studio City Notes and the 2028 Studio City Notes. Loss on extinguishment of debt for the year ended December 31, 2019 was US$6.3 million, was associated with the early redemption of all remaining outstanding 2020 Studio City Notes which was refinanced by the issuance of the 2024 Studio City Notes and the partial prepayment of the term loan under the 2015 Credit Facilities.

Costs associated with debt modification for the year ended December 31, 2020 were US$0.3 million, which was associated with the refinancing of the 2015 Credit Facilities with the 2020 Credit Facilities. Costs associated with debt modification for the year ended December 31, 2019 were US$0.6 million, which was associated with the early redemption of all remaining outstanding 2020 Studio City Notes which were refinanced by the issuance of the 2024 Studio City Notes.

Income tax credit (expense)

Income tax credit for the year ended December 31, 2020 was primarily attributable to deferred income tax credit of US$14.0 million, partially offset by Macau Complimentary Tax of US$6.4 million and a lump sum tax payable of US$2.4 million in lieu of Macau Complementary Tax otherwise due by Melco Resorts Macau's shareholders on dividends distributable to them by Melco Resorts Macau. The effective tax rate for the year ended December 31, 2020 was 0.20%, as compared to 2.07% for the year ended December 31, 2019. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of expired tax losses, the effect of changes in valuation allowances, the effect of expenses for which no income tax benefit is receivable, the effect of income for which no income tax expense is payable and the effect of different tax rates of subsidiaries operating in other jurisdictions for the relevant years together with the effect of tax losses that cannot be carried forward for the year ended December 31, 2020 and the effect of profits generated by gaming operations being exempted from Macau Complementary Tax and Philippine Corporate Income Tax for year ended December 31, 2019.

Our management currently does not expect to realize significant income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau and Philippine operations. However, to the extent that the financial results of our Macau and Philippine operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net loss (income) attributable to noncontrolling interests

Our net loss attributable to noncontrolling interests of US$191.1 million for the year ended December 31, 2020, compared to a net income attributable to noncontrolling interests of US$21.1 million for the year ended December 31, 2019, represented the share of Studio City's expenses of US$184.8 million, Cyprus operations' expenses of US$4.0 million and City of Dreams Manila's expenses of US$2.4 million, by the respective minority shareholders for the year ended December 31, 2020. The change was primarily attributable to the softer performance of Studio City, City of Dreams Manila and our operations in Cyprus as a result of the COVID-19 pandemic.

Net (loss) income attributable to Melco Resorts & Entertainment Limited

As a result of the foregoing, we had net loss attributable to Melco Resorts & Entertainment Limited of US$1.26 billion for the year ended December 31, 2020, compared to net income attributable to Melco Resorts & Entertainment Limited of US$373.2 million for the year ended December 31, 2019.

For a discussion of our results of operations for the year ended December 31, 2019 compared with the year ended December 31, 2018, see "Item 5. Operating and Financial Review and Prospects — A. Operating Results — Year Ended December 31, 2019 Compared to Year Ended December 31, 2018" of our annual report on Form 20-F for the fiscal year ended December 31, 2019, filed with the SEC on March 31, 2020.

Adjusted Property EBITDA and Adjusted EBITDA

Adjusted Property EBITDA is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, Corporate and Other expenses and other non-operating income and expenses. We recorded negative Adjusted Property EBITDA of US$104.3 million for the year ended December 31, 2020, compared to Adjusted Property EBITDA of US$1,689.5 million and US$1,486.4 million for the years ended December 31, 2019 and 2018, respectively. Altira Macau, City of Dreams and Studio City recorded negative Adjusted Property EBITDA of US$58.8 million, US$1.3 million and US$79.0 million, respectively, while Mocha Clubs and City of Dreams Manila recorded Adjusted Property EBITDA of US$3.6 million and US$29.0 million, respectively, for the year ended December 31, 2020. Adjusted Property EBITDA of Altira Macau, City of Dreams, Studio City, Mocha Clubs and City of Dreams Manila were US$51.5 million, US$922.8 million, US$415.1 million, US$23.3 million and US$247.1 million, respectively, for the year ended December 31, 2019, US$55.5 million, US$756.4 million, US$375.3 million, US$21.5 million and US$269.2 million, respectively, for the year ended December 31, 2018. Our operations in Cyprus commenced since June 2018 and recorded Adjusted Property EBITDA of US$2.3 million, US$29.8 million and US$8.5 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Adjusted EBITDA is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation and other non-operating income and expenses. We recorded negative Adjusted EBITDA of US$177.3 million for the year ended December 31, 2020, compared to Adjusted EBITDA of US$1,574.3 million and US$1,377.8 million for the years ended December 31, 2019 and 2018, respectively.

Our management uses Adjusted Property EBITDA to measure the operating performance of our Altira Macau, City of Dreams, Studio City, City of Dreams Manila, Mocha Clubs and Cyprus businesses, and to compare the operating performance of our properties with those of our competitors. Adjusted EBITDA and Adjusted Property EBITDA are also presented as supplemental disclosures because management believes they are widely used to measure performance and as a basis for valuation of gaming companies. Our management also uses Adjusted Property EBITDA and Adjusted EBITDA because they are used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported similar measures as a supplement to financial measures in accordance with generally accepted accounting principles, in particular, U.S. GAAP or International Financial Reporting Standards.

However, Adjusted Property EBITDA or Adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit, treated as an indicator of our U.S. GAAP operating performance, other operating operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted Property EBITDA and Adjusted EBITDA presented in this annual report may not be comparable to other similarly titled measures of other companies' operating in the gaming or other business sectors. While our management believes these figures may provide useful additional information to investors when considered in conjunction with our U.S. GAAP financial statements and other information in this annual report, less reliance should be placed on Adjusted Property EBITDA or Adjusted EBITDA as a measure in assessing our overall financial performance.

Reconciliation of Net (Loss) Income Attributable to Melco Resorts & Entertainment Limited to Adjusted EBITDA and Adjusted Property EBITDA

	Year Ended December 31,		
	2020	2019	2018
	(in thousands of US$)		
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (1,263,492)	$ 373,173	$ 340,299
Net (loss) income attributable to noncontrolling interests	(191,122)	21,055	(1,403)
Net (loss) income	(1,454,614)	394,228	338,896
Income tax (credit) expense	(2,913)	8,339	238
Interest and other non-operating expenses, net	516,970	345,111	274,313
Property charges and other	47,223	20,815	29,147
Share-based compensation	54,392	31,797	25,143
Depreciation and amortization	618,530	651,205	567,901
Development costs	25,616	57,433	23,029
Pre-opening costs	1,322	4,847	55,390
Land rent to Belle Corporation	3,195	3,061	3,001
Payments to the Philippine Parties	12,989	57,428	60,778
Adjusted EBITDA	(177,290)	1,574,264	1,377,836
Corporate and Other expenses	73,014	115,208	108,527
Adjusted Property EBITDA	$ (104,276)	$ 1,689,472	$ 1,486,363

Critical Accounting Policies and Estimates

Management's discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements. Our consolidated financial statements were prepared in conformity with U.S. GAAP. Certain of our accounting policies require that management apply significant

judgment in defining the appropriate assumptions integral to financial estimates. On an ongoing basis, management evaluates those estimates and judgments which are made based on information obtained from our historical experience, terms of existing contracts, industry trends and outside sources that are currently available to us, and on various other assumptions that management believes to be reasonable and appropriate in the circumstances. However, by their nature, judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates. We believe that the critical accounting policies discussed below affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Property and Equipment and Other Long-lived Assets

During the development and construction stage of our integrated resort facilities, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activity is substantially suspended. Pre-opening costs, consisting of marketing and other expenses related to our new or start-up operations are expensed as incurred.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened.

Property and equipment and other long-lived assets with a finite useful life are depreciated and amortized on a straight-line basis over the asset's estimated useful life. The estimated useful lives are based on factors including the nature of the assets, its relationship to other assets, our operating plans and anticipated use and other economic and legal factors that impose limits. The remaining estimated useful lives of the property and equipment are periodically reviewed.

Our land use rights in Macau under the land concession contracts for Altira Macau, City of Dreams and Studio City are being amortized over the estimated term of the land use rights on a straight-line basis. The estimated term of the land use rights under the applicable land concession contracts are based on factors including the business and operating environment of the gaming industry in Macau, laws and regulations in Macau, and our development plans. The estimated term of the land use rights are periodically reviewed.

Costs of repairs and maintenance are charged to expense when incurred. The cost and accumulated depreciation of property and equipment retired or otherwise disposed of are eliminated from the respective accounts and any resulting gain or loss is included in operating income or loss.

Costs incurred to develop software for internal use are capitalized and amortized on a straight-line basis over the estimated useful life. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred. The remaining estimated useful lives of the internal-use software are periodically reviewed.

Our total capital expenditures for the years ended December 31, 2020, 2019 and 2018 were US$464.3 million, US$471.1 million and US$563.0 million, respectively, of which US$249.2 million, US$78.2 million and US$181.7 million, respectively, were attributable to our development and construction projects, with the remainder primarily related to the enhancements to our integrated resort offerings of our properties. The development and construction capital expenditures primarily related to the development and

construction of various projects at City of Dreams, including Morpheus, Studio City and City of Dreams Mediterranean during the years ended December 31, 2020, 2019 and 2018. Refer to note 24 to the consolidated financial statements included elsewhere in this annual report for further details of these capital expenditures.

We also review our property and equipment and other long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. If an indicator of impairment exists, we then compare the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates and gross margin. The undiscounted cash flows of such assets are measured by first grouping our long-lived assets into asset groups and, secondly, estimating the undiscounted future cash flows that are directly associated with and expected to arise from the use of and eventual disposition of such asset group. We define an asset group as the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and estimate the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment charge is recorded based on the fair value of the asset group, typically measured using a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs. All recognized impairment losses are recorded as operating expenses.

During the year ended December 31, 2020, 2019 and 2018, impairment loss of US$8.1 million, US$9.6 million and nil were recognized, mainly due to reconfigurations and renovations at our operating properties, and of which US$6.3 million was provided for the year ended December 31, 2019 for a parcel of freehold land due to a significant decrease in its market value as of December 31, 2019.

The disruptions to our business caused by the COVID-19 pandemic had material adverse effects on our financial condition and operations for the year ended December 31, 2020. As a result, we concluded that a triggering event occurred and we evaluated our long-lived assets at each asset group, including our properties in Macau, the Philippines and Cyprus, and our Japan development projects for recoverability at interim and as of December 31, 2020 and concluded no impairment existed at that date as the estimated undiscounted future cash flows exceeded their carrying values. As discussed above, estimating future cash flows of the assets involves significant assumptions. Future changes to our estimates and assumptions based upon changes in operating results, macro-economic factors or management’s intentions may result in future changes to the future cash flows of our long-lived assets.

Goodwill and Purchased Intangible Assets

We review the carrying value of goodwill and purchased intangible assets with indefinite useful lives for impairment at least on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill and purchased intangible assets with indefinite useful lives as at December 31, 2020, 2019 and 2018 were associated with Mocha Clubs, a reporting unit, which arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by our Company in 2006 and a ski resort in Japan (the “Japan Ski Resort”), a reporting unit, which arose from the acquisition of Kabushiki Kaisha Okushiga Kogen Resort in 2019.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, we may first perform a qualitative assessment to determine whether it is more likely than not that the asset is impaired. If we determine a qualitative assessment is to be performed, we assess certain qualitative factors including, but not limited to, the results of the most recent quantitative impairment test, operating results and projected operating results, and macro-economic and industry conditions. If we determined that it is more likely than not that the asset is impaired after assessing the qualitative factors, we then perform a quantitative impairment test.

On January 1, 2020, we adopted the accounting standards update on goodwill impairment test on a prospective basis. To perform a quantitative impairment test of goodwill, we perform an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. If the carrying value of the reporting unit exceeds its fair value, we would recognize an impairment loss for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit. We determine the fair value of our reporting units using income valuation approaches through the application of discounted cash flow method. Estimating fair values of the reporting units involves significant assumptions, including future revenue growth rates, gross margin, terminal growth rates and discount rates.

To perform a quantitative impairment test of the trademarks of Mocha Clubs, we perform an assessment that consists of a comparison of their carrying values with their fair values using the relief-from-royalty method. Under this method, we estimate the fair values of the trademarks, mainly based on the incremental after-tax cash flow representing the royalties that we are relieved from paying given we are the owner of the trademarks. These valuation techniques are based on a number of estimates and assumptions, including the projected future revenues of the trademarks, calculated using an appropriate royalty rate, discount rate and long-term growth rates.

We performed qualitative assessments for the years ended December 31, 2019 and 2018 for our annual tests for impairment of goodwill and trademarks in accordance with the accounting standards regarding goodwill and other intangible assets. We determined that there were no impairment of goodwill and trademarks for the years ended December 31, 2019 and 2018.

The disruptions to our business caused by the COVID-19 pandemic had material adverse effects on the financial condition and operations of Mocha Clubs and the Japan Ski Resort for the year ended December 31, 2020. As a result, we concluded that a triggering event occurred and we have performed quantitative assessments for impairment of goodwill and trademarks of these reporting units at interim and as of December 31, 2020.

As a result of these assessments, an impairment loss of US$13.9 million was recognized against the goodwill of the Japan Ski Resort for the year ended December 31, 2020.

As discussed above, determining the fair value of goodwill and trademarks is judgmental in nature and requires the use of significant estimates and assumptions. Future changes to our estimates and assumptions based upon changes in operating results, macro-economic factors or management's intentions may result in future changes to the fair value of the goodwill and trademarks of the Group.

Revenue Recognition

On January 1, 2018, we adopted the New Revenue Standard, using the modified retrospective method applying to those contracts not yet completed as of January 1, 2018. The accounting policies for revenue recognition as a result of the New Revenue Standard are as follows:

Our revenues from contracts with customers consist of casino wagers, sales of rooms, food and beverage, entertainment, retail and other goods and services.

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. We account for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers either directly or indirectly through gaming promoters and cash discounts and other cash incentives earned by customers are recorded as a reduction of casino revenues. In addition to the wagers, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivize future gaming or in exchange for incentives or points earned under our non-discretionary incentives programs (including loyalty programs).

For casino transactions that include complimentary goods or services provided by us to incentivize future gaming, we allocate the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under our control and discretion and supplied by third parties are recorded as operating expenses.

We operate different non-discretionary incentives programs in certain of our properties which include our loyalty programs to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn points primarily based gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include points earned under our loyalty programs, we defer a portion of the revenue by recording the estimated standalone selling prices of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for our self-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under our loyalty programs, the residual amount is recorded as casino revenue when the wagers are settled.

We follow the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for operations of certain hotels and Grand Dragon Casino and concluded that we are the controlling entity and are the principal to these arrangements. For the operations of certain hotels, we are the owner of the hotel properties, and the hotel managers operate the hotels under certain management agreements providing management services to us, and we receive all rewards and take substantial risks associated with the hotels' business; we are the principal and the transactions are, therefore, recognized on a gross basis. For the operations of Grand Dragon Casino, given we operate the casino under a right to use agreement with the owner of the casino premises and have full responsibility for the casino operations in accordance with our gaming subconcession, we are the principal and casino revenue is, therefore, recognized on a gross basis.

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from the customers for such goods and services that are recorded as revenues when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by us are excluded from revenues. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by us are allocated to each good or service based on its relative standalone selling price.

Minimum operating and right to use fees representing lease revenues, adjusted for contractual base fees and operating fees escalations, are included in other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Upon the adoption of the New Revenue Standard, we recognized the cumulative effect of adopting the New Revenue Standard as an adjustment to the opening balance of accumulated losses. Amounts for the periods beginning on or after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. The major changes as a result of the adoption of the New Revenue Standard are as follows:

(1) The New Revenue Standard changed the presentation of, and accounting for, goods and services furnished to guests without charge that were previously included in gross revenues and deducted as promotional allowances in the accompanying consolidated statements of operations. Under the New Revenue Standard, the promotional allowances line item was eliminated with the amounts being netted against casino revenues in primarily all cases and are measured based on standalone selling prices. Additionally, the estimated cost of providing the promotional allowances is no longer included in casino expenses but, instead is included in the respective operating departments expense categories.

(2) A portion of commissions paid or payable to gaming promoters, representing the estimated incentives that were returned to customers, was previously reported as reductions in casino revenue, with the balance of commissions expense reflected as a casino expense. Under the New Revenue Standard, all commissions paid or payable to gaming promoters are reflected as reductions in casino revenue.

(3) The estimated liability for unredeemed non-discretionary incentives under our loyalty programs were previously accrued based on the estimated costs of providing such benefits and expected redemption rates. Under the New Revenue Standard, non-discretionary incentives represent a separate performance obligation and the resulting liability are recorded using the standalone selling prices of such benefits less estimated breakage and are offset against casino revenue. When the benefits are redeemed, revenues are measured on the same basis and recognized in the resulting category of the goods or services provided. At the adoption date January 1, 2018, we recognized an increase to the opening balance of accumulated losses and noncontrolling interests of US$11.3 million and US$1.7 million, respectively, with a corresponding increase in accrued expenses and other current liabilities.

Accounts Receivable and Credit Risk

Financial instruments that potentially subject our Company to concentrations of credit risk consist principally of casino receivables. We issue credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is also given to our gaming promoters in Macau and the Philippines, which receivables can be offset against commissions payable and any other value items held by us to the respective customers and for which we intend to set off when required. For the years ended December 31, 2020, 2019 and 2018, approximately 15.6%, 22.5% and 27.0% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters, respectively.

As of December 31, 2020 and 2019, a substantial portion of our markers were due from customers and gaming promoters residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

On January 1, 2020, we adopted ASU 2016-13 under the modified retrospective method. There was no material impact on our financial position as of January 1, 2020 and December 31, 2020 and our results of operations and cash flows for the year ended December 31, 2020 as a result of the adoption of ASU 2016-13. The accounting policies for allowances for credit losses are as follows:

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce our receivables to their carrying amounts, which reflects the net amount the Company expects to collect. The allowance is estimated based on our specific reviews of customer accounts with a balance over a specified dollar amounts, based upon the age of the account, the customer’s financial condition as well as management’s experience with collection trends of the customers, current economic and business conditions, and management’s expectations of future economic and business conditions and forecasts.

As of December 31, 2020 and 2019, the Company’s allowances for casino credit losses were 72.2% and 47.7% of gross casino accounts receivables, respectively. The allowances for casino credit losses as a percentage of gross casino accounts receivable increased in 2020 was due to an increase in the age of outstanding account balances primarily caused by the COVID-19 pandemic and management’s expectations of future economic and business conditions and forecasts, including the impact of the COVID-19 pandemic. At December 31, 2020, a 100 basis-point change in the estimated allowance for credit losses as a percentage of casino receivables would change the allowance for credit losses by approximately US$4.6 million.

Income Tax

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. As of December 31, 2020 and 2019, we recorded valuation allowances of US$284.7 million and US$258.0 million, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. Our assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, and the duration of statutory carryforward periods. To the extent that the financial results of our operations improve and it becomes more likely than not that the deferred tax assets are realizable, the valuation allowances will be reduced.

Recent Changes in Accounting Standards

See note 2 to the consolidated financial statements included elsewhere in this annual report for discussion of recent changes in accounting standards.

B. LIQUIDITY AND CAPITAL RESOURCES

We have relied and intend to rely on our cash generated from our operations and our debt and equity financings to meet our financing needs and repay our indebtedness, as the case may be.

As of December 31, 2020, we held cash and cash equivalents and restricted cash of approximately US$1.76 billion and US$0.4 million, respectively. Further, HK$12.91 billion (equivalent to approximately US$1.67 billion) of the revolving credit facility under the 2020 Credit Facilities and HK$1.0 million (equivalent to approximately US$0.1 million) of the revolving credit facility under the 2015 Credit Facilities were available for future drawdown, subject to satisfaction of certain conditions precedent. Major currencies in which our cash and bank balances (including restricted cash) held as of December 31, 2020 were U.S. dollar, H.K. dollar, Euro, the Philippine peso and Pataca.

The HK$233.0 million (equivalent to approximately US$30.1 million) revolving credit facility under the 2021 Studio City Senior Secured Credit Facility is available for future drawdown as of December 31, 2020, subject to satisfaction of certain conditions precedent.

The PHP2.35 billion (equivalent to approximately US$48.9 million) bank credit facility of MRP remains available for future drawdown as of December 31, 2020, subject to satisfaction of certain conditions precedent.

We have been able to meet our working capital needs, and we believe that our operating cash flow, existing cash balances, funds available under various credit facilities and any additional equity or debt financings will be adequate to satisfy our current and anticipated operating, debt and capital commitments, including our development project plans, as described in "— Other Financing and Liquidity Matters" below. For any additional financing requirements, we cannot provide assurance that future borrowings will be available. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Financing and Indebtedness" for more information. We have significant indebtedness and will continue to evaluate our capital structure and opportunities to enhance it in the normal course of our activities. We may from time to time seek to retire or purchase our outstanding debt through cash purchases, in open market purchases, privately-negotiated transactions or otherwise. Such purchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Cash Flows

The following table sets forth a summary of our cash flows for the years presented.

	Year Ended December 31,		
	2020	2019	2018
	(in thousands of US$)		
Net cash (used in) provided by operating activities	$ (860,963)	$ 836,162	$1,053,369
Net cash used in investing activities	(53,312)	(1,031,849)	(662,121)
Net cash provided by (used in) financing activities	1,263,607	97,114	(340,517)
Effect of exchange rate on cash, cash equivalents and restricted cash	(26,064)	10,486	(12,624)
Increase (decrease) in cash, cash equivalents and restricted cash	323,268	(88,087)	38,107
Cash, cash equivalents and restricted cash at beginning of year	1,432,502	1,520,589	1,482,482
Cash, cash equivalents and restricted cash at end of year	$1,755,770	$ 1,432,502	$1,520,589

Operating Activities

Operating cash flows are generally affected by changes in operating income and accounts receivable with VIP table games play and hotel operations conducted on a cash and credit basis and the remainder of the business including mass market table games play, gaming machine play, food and beverage, and entertainment are conducted primarily on a cash basis.

Net cash used in operating activities was US$861.0 million for the year ended December 31, 2020, compared to net cash provided by operating activities of US$836.2 million for the year ended December 31, 2019. The change was primarily due to softer performance of operations as described in the foregoing section.

Net cash provided by operating activities was US$836.2 million for the year ended December 31, 2019, compared to US$1,053.4 million for the year ended December 31, 2018. The decrease in net cash provided by operating activities was primarily due to increased working capital for operations net with higher contribution of cash generated the improving operations.

Investing Activities

Net cash used in investing activities was US$53.3 million for the year ended December 31, 2020, compared to net cash used in investing activities of US$1,031.8 million for the year ended December 31, 2019. The change was primarily due to higher proceeds from the sale of investment securities for the year ended December 31, 2020 as compared to net payments for investment securities for the year ended December 31, 2019. Net cash used in investing activities for the year ended December 31, 2020 mainly included payments for construction costs and acquisition of property and equipment of US$436.5 million and payments for intangible and other assets of US$27.3 million, partially offset by proceeds from the sale of investment securities of US$410.0 million.

Net cash used in investing activities was US$1,031.8 million for the year ended December 31, 2019, compared to net cash used in investing activities of US$662.1 million for the year ended December 31, 2018. The change was primarily due to an increase in payments for investment securities. Net cash used in investing activities for the year ended December 31, 2019 mainly included payments for investment securities of

US$617.8 million, payments for construction costs and acquisition of property and equipment of US$447.4 million, acquisition of a subsidiary of US$15.0 million, which were offset in part by proceeds from sale of investment securities of US$49.7 million.

Our total payments for construction costs and acquisition of property and equipment were US$436.5 million and US$447.4 million for the years ended December 31, 2020 and 2019, respectively. Such expenditures were mainly associated with our development projects, as well as enhancement to our integrated resort offerings.

We expect to incur significant capital expenditures for the development of the remaining land of Studio City and City of Dreams Mediterranean. We intend to finance these projects through our operating cash flow and existing cash balances as well as equity or debt financings. See "— Other Financing and Liquidity Matters" below for more information.

The following table sets forth our capital expenditures incurred by segment on an accrual basis for the years ended December 31, 2020, 2019 and 2018.

	Year Ended December 31,		
	2020	2019	2018
	(in thousands of US$)		
Macau:			
Mocha Clubs	$ 3,490	$ 6,620	$ 8,973
Altira Macau	11,519	17,707	24,450
City of Dreams	119,014	134,075	311,441
Studio City	214,625	89,846	73,189
Sub-total	348,648	248,248	418,053
The Philippines:			
City of Dreams Manila	15,622	58,697	22,572
Cyprus:			
Cyprus operations	74,523	39,911	68,238
Corporate and Other	25,460	124,265	54,109
Total capital expenditures	$464,253	$471,121	$562,972

Our capital expenditures for the year ended December 31, 2019 decreased from that for the year ended December 31, 2018 primarily due to the completion of Morpheus which opened in June 2018.

Financing Activities

Net cash provided by financing activities amounted to US$1,263.6 million for the year ended December 31, 2020, primarily due to (i) the proceeds from the issuance of 2025 Studio City Notes in an aggregate principal amount of US$500.0 million, (ii) the proceeds from the issuance of 2028 Studio City Notes in an aggregate principal amount of US$500.0 million, (iii) the proceeds from the issuance of the First 2028 Senior Notes in aggregate principal amount of US$500.0 million in July 2020, (iv) the issuance of the Additional 2028 Senior Notes of US$353.5 million in August 2020, which priced at 101.0% of the principal amount, (v) the drawdown of the 2020 Credit Facilities of US$602.2 million, (vi) the drawdown of the revolving credit facility under the 2015 Credit Facilities of US$251.5 million and (vii) net proceeds from issuance of shares of subsidiaries of US$218.4 million, which were offset in part by the (viii) full redemption of the 2021 Studio City Company Notes of US$850.0 million, (ix) repayment of the 2020 Credit Facilities of US$352.2 million, (x) repayment of all loan amounts under the 2015 Credit Facilities of US$252.6 million, other than HK$1.0 million (equivalent to US$0.1 million) which remained outstanding under the term loan facility, (xi) payments of deferred financing costs of US$84.1 million and (xii) dividend payments of US$79.1 million.

Net cash provided by financing activities amounted to US$97.1 million for the year ended December 31, 2019, primarily due to (i) the proceeds from the US$900 million in aggregate principal amount of the First 2029 Senior Notes, (ii) the proceeds from the US$600 million in aggregate principal amount of the 2027 Senior Notes, (iii) the proceeds from the US$600 million in aggregate principal amount of the 2024 Studio City Notes, (iv) the proceeds from the drawdowns of the revolving credit facility under the 2015 Credit Facilities of US$550.2 million, (v) the proceeds from the US$500 million in aggregate principal amount of the 2026 Senior Notes and (vi) net proceeds from issuance of shares of subsidiaries of US$83.2 million, which were offset in part by the (vii) repayment of the revolving credit facility under the 2015 Credit Facilities of US$1,644.0 million, (viii) the scheduled repayment and partial early repayment of the term loan under the 2015 Credit Facilities of US$386.7 million, (ix) the full repayment of the 2019 Studio City Company Notes of US$350.0 million upon its maturity, (x) dividend payments of US$301.0 million, (xi) the payment of the 2020 Studio City Notes Tender Offer of US$216.5 million in aggregate principal amount and the redemption of the remaining 2020 Studio City Notes of US$208.5 million in aggregate principal amount outstanding.

Net cash used in financing activities amounted to US$340.5 million for the year ended December 31, 2018, primarily due to (i) the repurchase of shares of US$655.7 million, (ii) early partial redemption of the 2020 Studio City Notes in the amount of US$400.0 million, (iii) dividend payments of US$271.5 million, (iv) purchase of shares of a subsidiary of US$199.3 million, (v) early redemption of the remaining Philippine Notes in the amount of US$140.9 million, (vi) scheduled repayments of the term loan under the 2015 Credit Facilities and Aircraft Term Loan of US$51.7 million, which were offset in part by (vii) proceeds of US$1,095.7 million from the drawdown of the revolving credit facility under the 2015 Credit Facilities and (viii) net proceeds from issuance of shares of subsidiaries of US$277.9 million, which primarily relate to the initial public offering of a subsidiary.

Indebtedness

We enter into loan facilities and issue notes through our subsidiaries. The following table presents a summary of our gross indebtedness as of December 31, 2020:

	As of December 31, 2020
	(in thousands of US$)
2025 Senior Notes	$ 1,000,000
First 2029 Senior Notes	900,000
2028 Senior Notes	850,000
2027 Senior Notes	600,000
2024 Studio City Notes	600,000
2026 Senior Notes	500,000
2025 Studio City Notes	500,000
2028 Studio City Notes	500,000
2020 Credit Facilities	249,910
2015 Credit Facilities	129
2021 Studio City Senior Secured Credit Facility	129
	$ 5,700,168

Major changes in our indebtedness during the year ended and subsequent to December 31, 2020 are summarized below.

In March 2020, Melco Resorts Finance drew down HK$1.95 billion (equivalent to US$251.5 million) from the revolving credit facility under the 2015 Credit Facilities.

On April 29, 2020, MCO Nominee One, as borrower, entered into a senior facilities agreement with a syndicate of banks including Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau

Branch and Morgan Stanley Senior Funding, Inc. as joint global coordinators. Pursuant to the 2020 Credit Facilities, the lenders have made available HK$14.85 billion (equivalent to US$1.92 billion) in a revolving credit facility for a term of five years.

On May 6, 2020, MCO Nominee One drew down HK$2.73 billion (equivalent to US$352.1 million) under the 2020 Credit Facilities and, on May 7, 2020, we used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs other than HK$1.0 million (equivalent to US$129,000) which remained outstanding under the term loan facility for the 2015 Credit Facilities.

On May 7, 2020, following the repayment of outstanding amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, a part of the revolving credit facility commitments under the 2015 Credit Facilities were canceled, following which the available revolving credit facility commitments under the 2015 Credit Facilities were HK$1.0 million (equivalent to US$129,000).

On July 15, 2020, Studio City Finance issued US$500.0 million in aggregate principal amount of the 2025 Studio City Notes and US$500.0 million in aggregate principal amount of the 2028 Studio City Notes.

On July 21, 2020, Melco Resorts Finance issued the First 2028 Senior Notes in an aggregate principal amount of US$500.0 million.

On July 29, 2020, Melco Resorts Finance used a portion of the net proceeds from the offering of the First 2028 Senior Notes to repay the loan amounts outstanding under the 2020 Credit Facilities in full, together with accrued interest and costs associated with the repayment.

On August 11, 2020, Melco Resorts Finance issued the Additional 2028 Senior Notes in an aggregate principal amount of US$350.0 million. The net proceeds will be used for general corporate purposes.

On August 14, 2020, Studio City Company used a portion of the net proceeds to redeem in full the 2021 Studio City Company Notes, together with accrued interest and redemption premium.

On September 23, 2020, MCO Nominee One drew down HK$1.94 billion (equivalent to US$249.9 million) of the revolving credit facility under the 2020 Credit Facilities.

On November 26, 2020, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities had consented and agreed to waive the following financial condition covenants contained in the facility agreement under the Facility Agreement: (i) meet or exceed the interest cover ratio (ratio of consolidated EBITDA to consolidated net finance charges as such terms are defined in the Facility Agreement) of 2.50 to 1.00; (ii) not exceed the senior leverage ratio (ratio of consolidated total debt to consolidated EBITDA as such terms are defined in the Facility Agreement) of 3.50 to 1.00; and (iii) not exceed the total leverage ratio (ratio of consolidated total debt to consolidated EBITDA as such terms are defined in the Facility Agreement) of 4.50 to 1.00, in each case in respect of the relevant periods ended or ending on the following applicable test dates: (a) December 31, 2020; (b) March 31, 2021; (c) June 30, 2021; (d) September 30, 2021; and (e) December 31, 2021. Such consent became effective on December 2, 2020.

On January 14, 2021, Studio City Finance issued the 2029 Studio City Notes in an aggregate principal amount of US$750.0 million. The net proceeds of such notes were used to pay the tendering noteholders from the 2024 Studio City Notes Tender Offer and, on February 17, 2021, to redeem, together with accrued interest, all remaining outstanding amounts of the 2024 Studio City Notes, which amounted to US$252.9 million in aggregate principal amount

On January 21, 2021, Melco Resorts Finance issued US$250.0 million in aggregate principal amount of the Additional 2029 Senior Notes.

On January 27, 2021, HK$1.94 billion (equivalent to US$249.9 million) in principal amount outstanding of the revolving credit facility under the 2020 Credit Facilities, together with accrued interest, was repaid with the proceeds from the 2029 Senior Notes.

On March 15, 2021, Studio City Company amended the terms of the 2021 Studio City Senior Secured Credit Facility, including the extension of maturity date for each of the HK$233.0 million (equivalent to US$30.1 million) revolving credit facility and the HK$1.0 million (equivalent to US$129,000) term loan facility from November 30, 2021 to January 15, 2028. The revolving credit facility is available up to the date that is one month prior to the new extended maturity date. The amendments also included certain covenants in order to align them with certain financings by Studio City Finance Limited.

For further details of the above indebtedness, see note 12 to the consolidated financial statements included elsewhere in this annual report, which includes information regarding the type of debt facilities used, the extent to which borrowings are at fixed rates, the maturity profile of debt, the currency and interest rate structure, the charge on our assets and the nature and extent of any restrictions on our ability, and the ability of our subsidiaries, to transfer funds as cash dividends, loans or advances. See also “Item 5. Operating and Financial Review and Prospects — F. Tabular Disclosure of Contractual Obligations” for details of the maturity profile of debt and “Item 11. Quantitative and Qualitative Disclosures about Market Risk” for further understanding of our hedging of interest rate risk and foreign exchange risk exposure.

Other Financing and Liquidity Matters

We may obtain financing in the form of, among other things, equity or debt, including additional bank loans or high yield, mezzanine or other debt, or rely on our operating cash flow to fund the development of our projects. We are a growing company with significant financial needs. We expect to have significant capital expenditures in the future as we continue to develop our properties, in particular, the remaining land of Studio City and City of Dreams Mediterranean.

We have relied, and intend in the future to rely, on our operating cash flow and different forms of financing to meet our funding needs and repay our indebtedness, as the case may be.

The timing of any future debt and equity financing activities will be dependent on our funding needs, our development and construction schedule, the availability of funds on terms acceptable to us and prevailing market conditions. We may carry out activities from time to time to strengthen our financial position and ability to better fund our business expansion plans. Such activities may include refinancing existing debt, monetizing assets, sale-and-leaseback transactions or other similar activities.

In October 2018, SCI completed its initial public offering of 28,750,000 SC ADSs (equivalent to 115,000,000 Class A ordinary shares of SCI), of which 15,330,000 SC ADSs were purchased by our subsidiary, MCO Cotai Investments Limited. In November 2018, the underwriters exercised their over-allotment option in full to purchase an additional 4,312,500 SC ADSs from SCI. After giving effect to the exercise of the over-allotment option, the total number of SC ADSs sold in the Studio City IPO was 33,062,500 SC ADSs, which raised net proceeds of approximately US$406.7 million from the SC ADSs sold in the Studio City IPO and aggregate gross proceeds of approximately US$2.5 million from the concurrent private placement to Melco International in connection with Melco International’s “assured entitlement” distribution to its shareholders, after deducting underwriting discounts and commissions and a structuring fee, but before deducting offering expenses payable by SCI.

Any other future developments may be subject to further financing and a number of other factors, many of which are beyond our control.

As of December 31, 2020, we had capital commitments contracted for but not incurred mainly for the construction and acquisition of property and equipment for Studio City, City of Dreams and operations in Cyprus

totaling US$771.0 million. In addition, we have contingent liabilities arising in the ordinary course of business. For further details for our commitments and contingencies, see note 22 to the consolidated financial statements included elsewhere in this annual report.

Each of Melco Resorts Macau and Studio City Company has a corporate rating of "BB" and "BB-" by Standard & Poor's, respectively, and each of Melco Resorts Finance and Studio City Finance has a corporate rating of "Ba2" and "B1" by Moody's Investors Service, respectively. For future borrowings, any decrease in our corporate rating could result in an increase in borrowing costs.

Restrictions on Distributions

For discussion on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances and the impact such restrictions have on our ability to meet our cash obligations, see "Item 4. Information on the Company — B. Business Overview — Restrictions on Distribution of Profits Regulations." See also "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy" and note 19 to the consolidated financial statements included elsewhere in this annual report.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

We have entered into license or hotel management agreements with the following entities or groups:

- Crown Melbourne Limited in relation to the use of certain trademarks in Macau and the Philippines;
- Hyatt group in relation to the use of various trademarks owned by Hyatt group for the branding of the Grand Hyatt hotel at City of Dreams;
- Nobu Hospitality LLC in relation to the use of certain trademarks and intellectual property rights owned by Nobu in connection with its development, operation and management of the Nobu hotel and restaurant at City of Dreams Manila;
- Hyatt International Corporation and Melco Resorts Leisure, under which various trademarks owned by Hyatt are licensed to Melco Resorts Leisure for its operation of a hotel at City of Dreams Manila;
- DreamWorks Animation and Melco Resorts Leisure, under which various trademarks and other intellectual property rights owned by DreamWorks Animation are licensed to Melco Resorts Leisure for its operation of DreamPlay by DreamWorks, a family entertainment center at City of Dreams Manila; and
- Bandai Namco Amusement Inc. and Melco Resorts Leisure, under which a franchise to operate an entertainment facility in the Philippines, various trademarks owned by Bandai Namco as well as the lease of several virtual reality game machines are granted and licensed to Melco Resorts Leisure for its operation of the VR Zone at The Garage, which is located inside City of Dreams Manila.

In addition, we also purchase gaming tables and gaming machines and enter into licensing agreements for the use of certain trade names and, in the case of the gaming machines, the right to use software in connection therewith. These include a license to use a jackpot system for the gaming machines. For other intellectual property that we owned, see "Item 4. Information on the Company — B. Business Overview — Intellectual Property."

D. TREND INFORMATION

The following trends and uncertainties may affect our operations and financial conditions:

- The impact of the COVID-19 outbreak, including its severity, magnitude and duration, and any recovery from such disruptions will depend on future events, such as the successful production,

distribution and widespread acceptance of safe and effective vaccines; the development of effective treatments for COVID-19, including for new strains of COVID-19; the duration of travel and visa restrictions as well as customer sentiment and behavior (including the length of time before customers resume travel and participation in entertainment and leisure activities at high-density venues and the impact of potential higher unemployment rates, declines in income levels and loss of personal wealth resulting from the COVID-19 outbreak on consumer behavior related to discretionary spending and traveling), all of which are highly uncertain. The disruptions to our business caused by the COVID-19 pandemic have had a material and adverse effect on our business, financial condition and results of operations and as such disruptions are ongoing, such material and adverse effects will likely continue;

- Policies and campaigns implemented by the Chinese government, including restrictions on travel, anti-corruption campaigns, heightened monitoring of cross-border currency movement and adoption of new measures to eliminate perceived channels of illicit cross-border currency movements, restrictions on currency withdrawal, increased scrutiny of marketing activities in China or new measures taken by the Chinese government to deter marketing of gaming activities to mainland Chinese residents by foreign casinos, as well as any slowdown of economic growth in China, may lead to a decline and limit the recovery and growth in the number of patrons visiting our properties and the spending amount of such patrons;
- The gaming and leisure market in Macau and the Philippines are developing and the competitive landscapes are expected to evolve as more gaming and non-gaming facilities are developed in the regions where our properties are located. More supply of integrated resorts in the Cotai region of Macau and in Entertainment City of the Philippines will intensify the competition in the business that we operate. Our business in Cyprus operates in a new gaming market and the market landscape is expected to be more volatile and unpredictable, especially given that our flagship project in Cyprus, City of Dreams Mediterranean, is still being developed;
- The impact of new policies and legislation implemented by the Macau government, including travel and visa policies, anti-smoking legislation as well as policies relating to gaming table allocations and gaming machine requirements;
- The impact of new policies and legislation implemented by the Philippine government, including potential additional licensing requirements and potential tax legislation subjecting our Philippine subsidiaries to Philippines corporate income tax, value-added tax and other tax assessments in addition to the license fees paid to PAGCOR pursuant to the Philippine License;
- Greater regulatory scrutiny, including increased audits and inspections, in relation to movement of capital and anti-money laundering and other financial crime. Anti-money laundering, anti-bribery and corruption and sanctions and counter-terrorism financing laws and regulations have become increasingly complex and subject to greater regulatory scrutiny and supervision by regulators globally and may increase our compliance costs and any potential non- compliances of such laws and regulations could have an adverse effect on our reputation, financial condition, results of operations or cash flows;
- Enactment of new laws, or amendments to existing laws with more stringent requirements, in relation to personal data, including, among others, collection, use and/or transmission of personal data, and as to which there may be limited precedence on their interpretation and application, may increase operating costs and/or adversely impact our ability to market to our customers and guests. In addition, any non-compliance with such laws may result in damage of our reputation and/or subject us to lawsuits, fines and other penalties as well as restrictions on our use or transfer of data; and
- Gaming promoters in Macau are experiencing increased regulatory scrutiny that has resulted in the cessation of business of certain gaming promoters, a trend which may affect our operations in a number of ways:
  - a concentration of gaming promoters may result in such gaming promoters having significant leverage and bargaining strength in negotiating agreements with gaming operators, which could

result in gaming promoters negotiating changes to our agreements with them or the loss of business to a competitor or the loss of certain relationships with gaming promoters, any of which may adversely affect our results of operations;

- if any of our gaming promoters ceases business or fails to maintain the required standards of regulatory compliance, probity and integrity, their exposure to patron and other litigation and regulatory enforcement actions may increase, which in turn may expose us to an increased risk for litigation, regulatory enforcement actions and damage to our reputations; and
    - since we depend on gaming promoters for our VIP gaming revenue, difficulties in their operations may expose us to higher operational risk.

See also “Item 3. Key Information — D. Risk Factors,” “Item 4. Information on the Company — B. Business Overview — Market and Competition,” and other information elsewhere in this annual report for recent trends affecting our revenues and costs since the previous financial year and a discussion of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause the reported financial information not necessarily to be indicative of future operating results or financial condition.

E. OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any material financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder’s equity or that are not reflected in our consolidated financial statements.

Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Our total long-term indebtedness and other contractual obligations as of December 31, 2020 are summarized below.

	Payments Due by Period				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	(in millions of US$)				
Long-term debt obligations[1]***:***					
2025 Senior Notes	$ —	$ —	$1,000.0	$ —	$ 1,000.0
First 2029 Senior Notes	—	—	—	900.0	900.0
2028 Senior Notes	—	—	—	850.0	850.0
2027 Senior Notes	—	—	—	600.0	600.0
2024 Studio City Notes[2]	—	—	600.0	—	600.0
2026 Senior Notes	—	—	—	500.0	500.0
2025 Studio City Notes	—	—	500.0	—	500.0
2028 Studio City Notes	—	—	—	500.0	500.0
2020 Credit Facilities[3]	—	—	249.9	—	249.9
2015 Credit Facilities	—	0.1	—	—	0.1
2021 Studio City Senior Secured Credit Facility[4]	—	—	—	0.1	0.1
Fixed interest payments	312.0	624.0	500.2	441.4	1,877.6
Variable interest payments[5]	5.6	11.2	7.5	—	24.3
Finance leases[6]	83.4	103.0	107.0	405.3	698.7
Operating leases[6]	27.7	24.7	13.4	95.2	161.0
Construction costs and property and equipment retention payables	12.9	17.6	—	—	30.5
Other contractual commitments:					
Construction costs and property and equipment acquisition commitments[7]	538.7	232.3	—	—	771.0
Gaming subconcession premium[8]	33.2	30.6	17.2	185.1	266.1
Total contractual obligations	$1,013.5	$1,043.5	$2,995.2	$4,477.1	$ 9,529.3

(1) See note 12 to the consolidated financial statements included elsewhere in this annual report for further details on these debt facilities.

(2) OnJanuary 14, 2021, Studio City Finance issued US$750.0 million in aggregate principal amount of the 2029 Studio City Notes, the net proceeds of which were partly used to pay the tendering noteholders from the 2024 Studio City Notes Tender Offer, which amounted to US$347.1 million in aggregate principal amount of the 2024 Studio City Notes, and on February 17, 2021, together with accrued interest, redeem the remaining outstanding principal amount of the 2024 Studio City Notes, which amounted to US$252.9 million in aggregate principal amount. See note 27 to the consolidated financial statements included elsewhere in this annual report for further details on these subsequent events.

(3) On January 21, 2021, Melco Resorts Finance issued US$250.0 million in aggregate principal amount of the Additional 2029 Senior Notes, the net proceeds of which were used to repay the principal amount outstanding for the revolving credit facility under the 2020 Credit Facilities, together with the accrued interest. See note 27 to the consolidated financial statements included elsewhere in this annual report for further details on these subsequent events.

(4) On March 15, 2021, Studio City Company amended the terms of the 2021 Studio City Senior Secured Credit Facility, including the extension of the maturity date from November 30, 2021 to January 15, 2028.

See note 27 to the consolidated financial statements included elsewhere in this annual report for further details on this subsequent event.

(5) Amounts for all periods represent our estimated interest payments on our debt facilities based upon amounts outstanding and HIBOR as at December 31, 2020 plus the applicable interest rate spread in accordance with the respective debt agreements. Actual rates will vary.

(6) See note 13 to the consolidated financial statements included elsewhere in this annual report for further details on these lease liabilities.

(7) See note 22(a) to the consolidated financial statements included elsewhere in this annual report for further details on construction costs and property and equipment acquisition commitments.

(8) Represents i) annual premium with a fixed portion and a variable portion based on the number and type of gaming tables and machines in operation as of December 31, 2020 for our gaming subconcession in Macau, which expires in June 2022; and ii) fixed portion of gaming license fee in Cyprus which expires in June 2047. The gaming tax for gaming subconcession in Macau and the license fee for gaming licenses in the Philippines and Cyprus as disclosed in note 22(b) to the consolidated financial statements are not included in this table as the amount is variable in nature.

G. SAFE HARBOR

See “Special Note Regarding Forward-Looking Statements.”

ITEM 6.DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this annual report on Form 20-F.

Name	Age	Position/Title
Lawrence Yau Lung Ho	44	Chairman, chief executive officer and director
Clarence Yuk Man Chung	58	Director
Evan Andrew Winkler	46	President and director
Alec Yiu Wa Tsui	71	Independent non-executive director
Thomas Jefferson Wu	48	Independent non-executive director
John William Crawford	78	Independent non-executive director
Francesca Galante	45	Independent non-executive director
Geoffrey Stuart Davis	52	Executive vice president and chief financial officer
Stephanie Cheung	58	Executive vice president and chief legal officer
Akiko Takahashi	67	Executive vice president and chief of staff to Chairman and chief executive officer

Directors

Mr. Lawrence Yau Lung Ho was appointed as our director on December 20, 2004, and served as our co-chairman and chief executive officer between December 2004 and April 2016 before he was re-designated as chairman and chief executive officer in May 2016. Since November 2001, Mr. Ho has served as the managing director of Melco International and its chairman and chief executive officer since March

2006. In addition, Mr. Ho has been a director of SCI since July 2011. Mr. Ho has also been appointed as the chairman and director of Maple Peak Investment Inc., a company listed on the TSX Venture Exchange in Canada, since July 2016, and also serves on numerous boards and committees of privately-held companies in Hong Kong, Macau and mainland China.

As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho serves on the board or participates as a committee member in various organizations in Hong Kong, Macau and mainland China. He is a vice chairman of the All-China Federation of Industry and Commerce; a vice patron of The Community Chest of Hong Kong; a member of the All China Youth Federation; a member of the Macau Basic Law Promotion Association; chairman of the Macau International Volunteers Association; a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong; honorary lifetime director of The Chinese General Chamber of Commerce of Hong Kong; honorary patron of The Canadian Chamber of Commerce in Macao; honorary president of the Association of Property Agents and Real Estate Developers of Macau; and director executive of the Macao Chamber of Commerce.

In recognition of Mr. Ho's excellent directorship and entrepreneurial spirit, Institutional Investor honored him as the "Best CEO" in 2005. He was also granted the "5th China Enterprise Award for Creative Businessmen" by the China Marketing Association and China Enterprise News, "Leader of Tomorrow" by Hong Kong Tatler and the "Directors of the Year Award" by the Hong Kong Institute of Directors in 2005. In 2017, Mr. Ho was awarded the Medal of Merit-Tourism by the Macau SAR government for his significant contributions to tourism in the territory.

As a socially-responsible young entrepreneur in Hong Kong, Mr. Ho was selected as one of the "Ten Outstanding Young Persons Selection 2006", organized by Junior Chamber International Hong Kong. In 2007, he was elected as a finalist in the "Best Chairman" category in the "Stevie International Business Awards" and one of the "100 Most Influential People across Asia Pacific" by Asiamoney magazine. In 2008, he was granted the "China Charity Award" by the Ministry of Civil Affairs of the People's Republic of China. In 2009, Mr. Ho was selected as one of the "China Top Ten Financial and Intelligent Persons" judged by a panel led by the Beijing Cultural Development Study Institute and Fortune Times and was named "Young Entrepreneur of the Year" at Hong Kong's first Asia Pacific Entrepreneurship Awards.

Mr. Ho was selected by FinanceAsia magazine as one of the "Best CEOs in Hong Kong" for the fifth time in 2014 and was granted the "Leadership Gold Award" in the Business Awards of Macau in 2015. Mr. Ho has been honored as one of the recipients of the "Asian Corporate Director Recognition Awards" by Corporate Governance Asia magazine for eight consecutive years since 2012, and was awarded "Asia's Best CEO" at the Asian Excellence Awards for the eighth time in 2019.

Mr. Ho graduated with a Bachelor of Arts degree in commerce from the University of Toronto, Canada, in June 1999 and was awarded the Honorary Doctor of Business Administration degree by Edinburgh Napier University, Scotland, in July 2009 for his contribution to business, education and the community in Hong Kong, Macau and China.

Mr. Clarence Yuk Man Chung was appointed as our director on November 21, 2006. Mr. Chung has also been an executive director of Melco International since May 2006, which he joined in December 2003. In addition, Mr. Chung has been the chairman and president of MRP since December 2012, a director of SCI since October 2018 and has also been appointed as a director of certain of our subsidiaries incorporated in various jurisdictions. Before joining Melco International, Mr. Chung had been in the financial industry in various capacities as a chief financial officer, an investment banker and a merger and acquisition specialist. He was named one of the "Asian Gaming 50" for multiple years (including 2018) by Inside Asian Gaming magazine. Mr. Chung is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales and obtained a master's degree in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology.

Mr. Evan Andrew Winkler was appointed as our director on August 3, 2016 and also our president on September 4, 2019. Mr. Winkler has served as the managing director and the president of Melco International since August 2016 and May 2018, respectively, and also a director of SCI since August 2016. Mr. Winkler has also been appointed as a director of various subsidiaries of Melco International.

Before joining Melco International, 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 degree in Economics from the University of Chicago.

Mr. Alec Yiu Wa Tsui was appointed as an independent non-executive director on December 18, 2006. Mr. Tsui is the chairman of our nominating and corporate governance committee and a member of our audit and risk committee and compensation committee. Mr. Tsui has extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. He held key positions at the Securities and Futures Commission of Hong Kong from 1989 to 1993, joined the HKSE in 1994 as an executive director of the finance and operations services division and was its chief executive from February 1997 to July 2000. He was also the chief operating officer of Hong Kong Exchanges and Clearing Limited from March to August 2000. During his tenure at the HKSE, Mr. Tsui was in charge of the finance and accounting functions. Mr. Tsui was the chairman of the Hong Kong Securities Institute from 2001 to 2004 and a consultant of the Shenzhen Stock Exchange from July 2001 to June 2002. Mr. Tsui was an independent non-executive director of China Blue Chemical Limited from April 2006 to June 2012, China Chengtong Development Group Limited from March 2003 to November 2013, China Power International Development Limited from March 2004 to December 2016 and China Oilfield Services Limited from June 2009 to June 2015, all of which are listed on the HKSE. Mr. Tsui has been a director of Industrial and Commercial Bank of China (Asia) Limited since August 2000. Mr. Tsui is also an independent non-executive director of a number of companies listed on the HKSE and Nasdaq, including COSCO Shipping International (Hong Kong) Co., Ltd. since 2004, Pacific Online Limited since 2007, ATA Creativity Global since 2008, Summit Ascent Holdings Limited from March 2011 to September 2018, Kangda International Environmental Company Limited from July 2014 to April 2019, DTXS Silk Road Investment Holdings Company Limited from December 2015 to May 2020 and Hua Medicine since September 2018. In addition, due to his long experience as an executive supervising finance and accounting functions, and extensive knowledge and expertise in internal controls and procedures for financial reporting and other matters performed by audit committees in general, Mr. Tsui also serves as a member of the audit committee on several of the companies on which he serves as a director.

Mr. Tsui graduated from the University of Tennessee with a bachelor's degree in industrial engineering in 1975 and a master of engineering degree in 1976. He completed a program for senior managers in government at the John F. Kennedy School of Government at Harvard University in 1993.

Mr. Thomas Jefferson Wu $_{JP}$ was appointed as an independent non-executive director on December 18, 2006. Mr. Wu is also the chairman of our compensation committee and a member of our audit and risk committee and nominating and corporate governance committee. Mr. Wu was the deputy chairman and managing director of Hopewell Holdings Limited, a business conglomerate which was de-listed from the HKSE, from February 2018 to May 2019. Mr. Wu has served in various roles with the Hopewell Holdings group since 1999, including group controller from March 2000 to June 2001, executive director from June 2001 to May 2019, chief operating officer from January 2002 to August 2002, deputy managing director from August 2003 to June 2007, co-managing director from July 2007 to September 2009, managing director from October 2009 to May 2019 and deputy chairman of Hopewell Holdings Limited from February 2018 to May 2019. Mr. Wu has also been an executive director, managing director and non-executive director of Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited), a company listed on the HKSE, from January 2003 to April 2018, from July 2003 to April 2018 and from April 2018 to May 2018, respectively.

Mr. Wu graduated with high honors from Princeton University in 1994 with a Bachelor of Science degree in Mechanical and Aerospace Engineering. Mr. Wu then worked in Japan as an engineer for Mitsubishi Electric Corporation for three years before returning to full-time studies at Stanford University, where he obtained a Master of Business Administration degree in 1999. In 2015, he was conferred an honorary fellowship by Lingnan University.

Mr. Wu is active in public service in both Hong Kong and China. Mr. Wu serves in a number of advisory roles at different levels of government. In China, Mr. Wu is a member of the 13th National Committee of the Chinese People's Political Consultative Conference and the 11th & 12th Heilongjiang Provincial Committee of the Chinese People's Political Consultative Conference and was a Standing Committee member and a member of the Guangzhou Municipality Huadu District Committee of the Chinese People's Political Consultative Conference, among other public service capacities.

In Hong Kong, Mr. Wu's major public service appointments include being a board member of The Airport Authority Hong Kong of the Hong Kong Special Administrative Region Government (the "HKSARG"), a member of the Energy Advisory Committee of the Environment Bureau of the HKSARG, a member of the Committee on Real Estate Investment Trusts of Securities and Futures Commission, a Vice Patron of the Community Chest of Hong Kong, a deputy director of Economic Affairs Committee and a member of Friends of Hong Kong Association Limited as well as Honorary Advisor of the Hong Kong Army Cadets Association. Mr. Wu is also a member of the Business School Advisory Council of The Hong Kong University of Science and Technology. Previously, Mr. Wu was a council member of The Hong Kong Polytechnic University and the Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology, a board member of the Asian Youth Orchestra, a member of the standing committee on Disciplined Services Salaries and Conditions of Service and a member of the Hong Kong Tourism Board of the HKSARG.

In addition to his professional and public service engagements, Mr. Wu is mostly known for his passion for ice hockey, as well as the sport's development in Hong Kong and the region. Mr. Wu is the vice president (Asia/Oceania) of the International Ice Hockey Federation, co-founder and chairman of the Hong Kong Amateur Club and Hong Kong Academy of Ice Hockey, as well as chairman of the Hong Kong Ice Hockey Officials Association. Mr. Wu is also the honorary president of the Hong Kong Ice Hockey Association (the national sports association of ice hockey in Hong Kong), vice-chairman of Chinese Ice Hockey Association, honorary president of Macau Ice Sports Federation and honorary chairman of Ice Hockey Association of Taipei Municipal Athletics Federation.

In 2006, the World Economic Forum selected Mr. Wu as a "Young Global Leader". Mr. Wu was also awarded the "Directors of the Year Award" by the Hong Kong Institute of Directors in 2010, the "Asian Corporate Director Recognition Award" by Corporate Governance Asia in 2011, 2012 and 2013, and named the "Asia's Best CEO (Investor Relations)" in 2012, 2013 and 2014.

Mr. John William Crawford $_{JP}$ was appointed as an independent non-executive director on January 12, 2017. Mr. Crawford was a member of our audit and risk committee up until March 21, 2018 when he became its chairman. He is also a member of our compensation committee and nominating and corporate governance committee. Mr. Crawford became an independent non-executive director of Melco International, the chairman of its audit committee and nomination committee and a member of its corporate governance committee on September 13, 2019. Mr. Crawford has been the managing director of Crawford Consultants Limited and International Quality Education Limited since 1997 and 2002, respectively. Previously, Mr. Crawford was a founding partner of Ernst & Young, Hong Kong, where he acted as engagement or review partner for many public companies and banks during his 25 years in public accounting and was the chairman of the audit division and the vice chairman of the Hong Kong office of the firm prior to retiring in 1997. Mr. Crawford has extensive knowledge of accounting issues from his experience as a managing audit partner of a major international accounting firm and also has extensive operational knowledge as a result of his consulting experience. Mr. Crawford has served as an independent non-executive director and chairman of the audit committee of Regal

Portfolio Management Limited of Regal REIT since November 2006 and chairman of its Disclosure Committee since March 2010, and as an independent non-executive director of Entertainment Gaming Asia Inc. since November 2007 and up until his resignation on July 3, 2017. In November 2011, Mr. Crawford was appointed as a member of the conflicts committee of our subsidiary SCI and resigned from this position on January 10, 2017. Mr. Crawford previously served as an independent non-executive director and chairman of the audit committee of other companies publicly listed in Hong Kong, the most recent of which was E-Kong Group Limited until June 8, 2015.

Mr. Crawford has been deeply involved in the education sector in Asia, including setting up international schools and providing consulting services. He was a member and a governor for many years of the Canadian International School of Hong Kong and remains active in overseeing and consulting for other similar pre-university schools. Additionally, Mr. Crawford is involved in various charitable and/or community activities and was a founding member of UNICEF Hong Kong Committee and the Hong Kong Institute of Directors. In 1997, Mr. Crawford was appointed a Justice of the Peace in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a member and honorary president of the Macau Society of Certified Practising Accountants and a member of the Canadian Institute of Chartered Accountants.

Ms. Francesca Galante was appointed as an independent non-executive director on September 5, 2018. Ms. Galante is a member of each of our compensation committee, audit and risk committee and nominating and corporate governance committee. Ms. Galante has been the co-founder and partner of First Growth Real Estate, a specialist advisory firm focused on real estate structured debt arranging, restructuring and special servicing throughout Continental Europe since 2010. Previously, Ms. Galante was an executive director in the real estate principal finance division at UBS Investment Bank in London. Prior to that she worked at Soros Real Estate Partners and Merrill Lynch. With 20 years of real estate investment and advisory experience in both Europe and North America, Ms. Galante has extensive experience on real estate transactions in office, hotel, residential and industrial asset classes. Ms. Galante received her Master of Science in Management from the Université Paris-Dauphine and Master of Finance from Ecole Supérieure De Commerce De Paris (now ESCP Europe).

Executive Officers

Mr. Geoffrey Stuart Davis is our executive vice president and chief financial officer and he was appointed to his current role in April 2011. Prior to that, he served as our deputy chief financial officer from August 2010 to March 2011 and our senior vice president, corporate finance since 2007, when he joined our Company. In addition, Mr. Davis has been the chief financial officer of Melco International since December 2017, the chief financial officer and a director of SCI since June 2019 and October 2018, respectively, and is also a director of a number of our subsidiaries. Prior to joining us, Mr. Davis was a research analyst for Citigroup Investment Research, where he covered the U.S. gaming industry from 2001 to 2007. From 1996 to 2000, he held a number of positions at Hilton Hotels Corporation and Park Place Entertainment. Park Place was spun off from Hilton Hotels Corporation and subsequently renamed Caesars Entertainment. Mr. Davis has been a CFA charter holder since 2000 and obtained a bachelor of arts degree from Brown University.

Ms. Stephanie Cheung is our executive vice president and chief legal officer and she was appointed to her current role in December 2008. Prior to that, she held the title of general counsel from November 2006, when she joined our Company. She has acted as the secretary to our board since she joined our Company. In addition, Ms. Cheung has been a director of SCI since October 2018. Prior to joining us, Ms. Cheung practiced law with various international law firms in Hong Kong, Singapore and Toronto. Ms. Cheung graduated with a bachelor of laws degree from Osgoode Hall Law School and a master’s degree in business administration from York University. Ms. Cheung is admitted as a solicitor in Ontario, Canada, England and Wales, and Hong Kong and is a member of the Hong Kong Institute of Directors and a fellow of Salzburg Global.

Ms. Akiko Takahashi is our executive vice president and chief of staff to chairman and chief executive officer, and was appointed to this role in June 2019. Ms. Takahashi is also a director of Studio City International

Holdings Limited, a subsidiary of the Company whose ADSs have been listed on the New York Stock Exchange since October 2018. Prior to her present roles, she was the Company's executive vice president and chief officer, human resources/corporate social responsibility from December 2008 and held the title of group human resources director from December 2006, when she joined our Company. Prior to joining us, Ms. Takahashi worked as a consultant in her own consultancy company from 2003 to 2006 where she conducted "C-level" executive searches for clients and assisted with brand/service culture alignment for a luxury hotel in New York City and where her last engagement prior to joining our Company was to lead the human resources integration for the largest international hospitality joint venture in Japan between InterContinental Hotels Group and ANA Hotels. She was the global group director of human resources for Shangri-la Hotels and Resorts, an international luxury hotel group headquartered in Hong Kong, from 1995 to 2003. Between 1993 and 1995, she was the senior vice president of human resources and service quality for Bank of America, Hawaii, FSB. She served as regional human resources manager for Sheraton Hotels Hawaii / Japan from 1985 to 1993. She started her hospitality career as a training manager for Halekulani Hotel. She began her career in the fashion luxury retail industry in merchandising, operations, training and human resources. Ms. Takahashi attended the University of Hawaii.

Management Structure

Mr. Ho, our chairman and chief executive officer, is responsible for the day-to-day operational leadership of our Company. Our management structure includes an executive committee which is composed of our executive officers and other senior executives including chief operating officers, property president, executive vice presidents and other business unit leaders and is responsible for formulating business strategies and considering day-to-day operational matters. On September 4, 2019, Mr. Evan Andrew Winkler, a board member of the Company, was appointed as President of the Company. Prior to September 4, 2019, all our executive officers and senior executives reported directly to Mr. Ho. Upon Mr. Winkler's appointment as President of the Company, he assumed responsibility for the Company's day-to-day operational matters globally and the Company's operational departments, chief operating officers and property president commenced reporting directly to Mr. Winkler while our executive officers and a few other senior executives, together with Mr. Winkler himself, continued to report directly to Mr. Ho.

B. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Our directors and executive officers receive compensation in the form of salaries, discretionary bonuses, equity awards, contributions to pension schemes and other benefits. The aggregate amount of compensation paid, and benefits in kind granted, including contingent or deferred compensation accrued for the year, to all the directors and executive officers of our Company as a group, amounted to approximately US$33.50 million for the year ended December 31, 2020.

Bonus Plan

We offer our management employees, including senior executive officers, the ability to participate in our Company's discretionary annual bonus plan. As part of this plan, employees may receive compensation in addition to their base salary upon satisfactory achievement of certain financial, strategic and individual objectives. Directors, other than Mr. Lawrence Ho, who participates in his capacity as our chief executive officer, are excluded from this plan. The discretionary annual bonus plan is administered at the sole discretion of our Company and our compensation committee.

Equity Awards

On March 31, 2020, we granted share options to acquire 1,729,863 of our ordinary shares pursuant to the 2011 Share Incentive Plan to directors and senior executive officers of our Company with exercise prices of US$4.1333 per share and 5,477,601 restricted shares with grant date fair value (closing price of the grant date) at US$4.1333 per share. The options expire ten years from the date of grant. We will issue ordinary shares to such grantees upon vesting of restricted shares at par value.

On November 24, 2020, we granted 157,152 restricted shares pursuant to the 2011 Share Incentive Plan to a senior executive officer of our Company. Grant date fair value of the restricted shares granted (closing price of the grant date) is US$6.3633 per share. We will issue ordinary shares to such grantee upon vesting of restricted shares at par value.

Pension, Retirement or Similar Benefits

For the year ended December 31, 2020, we set aside or accrued approximately US$0.1 million to provide pension, retirement or similar benefits to our senior executive officers. Our directors, other than Mr. Lawrence Ho who participates in his capacity as our chief executive officer, do not participate in such schemes. For a description of the pension scheme in which our senior executive officers in Hong Kong participate, see "— D. Employees."

C. BOARD PRACTICES

Composition of Board of Directors

Our board consists of seven directors, including three directors nominated by Melco International and four independent directors. Nasdaq Stock Market Rule 5605(b)(1) generally requires that a majority of an issuer's board of directors must consist of independent directors. However, Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers (Hong Kong), our Cayman Islands counsel, has provided a letter to Nasdaq certifying that under the Companies Act (as amended) of the Cayman Islands, we are not required to have a majority of independent directors serving on our board. Since September 5, 2018, we have had a majority of independent directors serving on our board. Prior to that, we relied on this "home country practice" exception.

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. An individual shareholder or we, as the Company, have (as applicable) the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our Company and mortgaging the property of our Company; and
- approving the transfer of shares of our Company, including the registering of such shares in our share register.

Terms of Directors and Executive Officers

Our officers are elected by and serve at the discretion of the board. Our directors are not subject to a term of office and hold office until such time as they are removed from office by special resolution or the unanimous written resolution of all shareholders. A director will be removed from office automatically if, among

other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) dies or is found by our Company to be or becomes of unsound mind. In addition, none of the service agreements between us and our directors provide benefits upon termination of their service.

Committees of the Board of Directors

Our board established an audit committee, a compensation committee and a nominating and corporate governance committee in December 2006. Our audit committee was renamed our audit and risk committee on August 3, 2016. Each committee has its defined scope of duties and terms of reference within its own charter, which empowers the committee members to make decisions on certain matters. The charters of these board committees were adopted by our board on November 28, 2006 and have been amended and restated on several occasions, with the latest version of the compensation committee charter adopted on March 18, 2020 and the latest versions of the audit and risk committee charter and the nominating and corporate governance committee charter each adopted on March 20, 2019. These charters are found on our website. Each of these committees consists entirely of directors whom our board has determined to be independent under the "independence" requirements of the Nasdaq corporate governance rules. The current membership of these three committees and summary of its respective charter are provided below.

Audit and Risk Committee

Our audit and risk committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui, John William Crawford and Ms. Francesca Galante, and is chaired by Mr. Crawford. Each of the committee members satisfies the "independence" requirements of Rule 10A-3 under the Securities Exchange Act of 1934, or the Exchange Act. We believe that Mr. Crawford qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20-F. On September 13, 2019, Mr. Crawford was appointed as an independent non-executive director of Melco International, our parent company and a related party. Since his appointment to the Melco International board, Mr. Crawford has not participated in, or voted on or consented to, any actions or matters being considered by our audit and risk committee which involved any related party transaction with Melco International. The purpose of the committee is to assist our board in overseeing and monitoring:

- the audits of the financial statements of our Company;
- the qualifications and independence of our independent auditors;
- the performance of our independent auditors;
- the account and financial reporting processes of our Company and the integrity of our systems of internal accounting and financial controls;
- legal and regulatory issues relating to the financial statements of our Company, including the oversight of the independent auditor, the review of the financial statements and related material, the internal audit process and the procedure for receiving complaints regarding accounting, internal accounting controls, auditing or other related matters;
- the disclosure, in accordance with our relevant policies, of any material information regarding the quality or integrity of our financial statements, which is brought to its attention by our disclosure committee;
- the integrity and effectiveness of our internal audit function; and
- the risk management policies, procedures and practices.

- The duties of the committee include:
- reviewing and recommending to our board for approval, the appointment, re-appointment or removal of the independent auditor, after considering its annual performance evaluation of the independent auditor and after considering a tendering process for the appointment of the independent auditor every five years;

- approving the remuneration and terms of engagement of the independent auditor, and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- at least annually, obtaining a written report from our independent auditor describing matters relating to its independence and quality control procedures;
- discussing with our independent auditor and our management, among other things, the audits of the financial statements, including whether any material information brought to their attention should be disclosed, issues regarding accounting and auditing principles and practices and the management's internal control report;
- reviewing and recommending the financial statements for inclusion within our quarterly earnings releases and to our board for inclusion in our annual reports;
- approving all material related party transactions brought to its attention, without further approval of our board;
- establishing and overseeing procedures for the handling of complaints and whistleblowing;
- approving the internal audit charter and annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- assessing Chief Risk Officer and senior management's policies and procedures to identify, accept, mitigate, allocate or otherwise manage various types of risks presented by management, and making recommendations with respect to our risk management process for the board's approval;
- reviewing our financial controls, internal control and risk management systems, and discussing with our management the system of internal control and ensuring that our management has discharged its duty to have an effective internal control system including the adequacy of resources, the qualifications and experience of our accounting and financial staff, and their training programs and budget;
- together with our board, evaluating the performance of the audit and risk committee on an annual basis;
- assessing the adequacy of its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Compensation Committee

Our compensation committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui, John William Crawford and Ms. Francesca Galante, and is chaired by Mr. Wu. The purpose of the committee is to discharge the responsibilities of the board relating to compensation of our directors and our executives, including, amongst others, to design (in consultation with management), evaluate and approve the compensation plans, policies and programs for the executives and evaluate and recommend to our board for approval of the directors' compensation.

Members of this committee are not prohibited from direct involvement in determining their own compensation. Our chief executive officer may not be present at any compensation committee meeting during the time when his compensation is deliberated.

The duties of the committee include:

- overseeing the development and implementation of executive compensation programs in consultation with our management;
- at least annually, making recommendations to our board for approval with respect to the compensation arrangements for our directors, and approving compensation arrangements for our chief executive officer and other executives;

- at least annually, reviewing and approving our incentive compensation plans and equity grant, if any, under our share incentive plans, and overseeing the administration of these plans and discharging any responsibilities imposed on the compensation committee by any of these plans;
- reviewing and approving the compensation payable to our executive directors and executives in connection with any loss or termination of their office or appointment;
- reviewing and approving any benefits in kind received by any director or executives where such benefits are not provided for under the relevant employment terms;
- reviewing executive officer and director indemnification and insurance matters;
- overseeing our regulatory compliance with respect to compensation matters, including our policies and restrictions on compensation plans and loans to officers;
- together with the board, evaluating the performance of the compensation committee on an annual basis;
- at such time as it deems appropriate, reviewing and making recommendations to the Board with respect to the adoption of any share incentive plans and/or modifications to the terms thereof and carrying out of the committee's duties and responsibilities as set forth in such share incentive plans;
- assessing the adequacy of its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui, John William Crawford and Ms. Francesca Galante, and is chaired by Mr. Tsui. The purpose of the committee is to assist our board in discharging its responsibilities regarding:

- the identification of qualified candidates to become members and chairs of the board and its committees and to fill any such vacancies, and reviewing the appropriateness of the continued service of directors;
- ensuring that our board meets the criteria for independence under the Nasdaq corporate governance rules and nominating directors who meet such independence criteria;
- oversight of our compliance with legal and regulatory requirements, in particular the legal and regulatory requirements of Macau (including the relevant laws related to the gaming industry), the Cayman Islands, the SEC and Nasdaq;
- the development and recommendation to our board of a set of corporate governance principles applicable to our Company;
- the disclosure, in accordance with our relevant policies, of any material information (other than that regarding the quality or integrity of our financial statements), which is brought to its attention by the disclosure committee; and
- oversight of our environmental, social and governance-related risks and opportunities.
- The duties of the committee include:
- making recommendations to our board for its approval, the appointment or re-appointment of any members of our board and the chairs and members of its committees, including evaluating any succession planning;
- reviewing on an annual basis the appropriate skills, knowledge and characteristics required of board members and of the committees of our board, and making any recommendations to improve the performance of our board and its committees;

- developing and recommending to our board such policies and procedures with respect to nomination or appointment of members of our board and chairs and members of its committees or other corporate governance matters as may be required pursuant to any SEC or Nasdaq rules, or otherwise considered desirable and appropriate;
- developing a set of corporate governance principles and reviewing such principles at least annually;
- deciding whether any material information (other than that regarding the quality or integrity of our financial statements), which is brought to its attention by the disclosure committee, should be disclosed;
- reviewing and monitoring the training and continuous professional development of our directors and senior management;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors;
- together with the board, evaluating the performance of the committee on an annual basis;
- reviewing the environmental, social and governance-related policies and the related regular public disclosures;
- assessing the adequacy of its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Employment Agreements

We have entered into an employment agreement with each of our executive officers. The terms of the employment agreements are substantially similar for each executive officer, except as noted below. We may terminate an executive officer's employment for cause, at any time, without advance notice, for certain acts of the officer, including, but not limited to, a serious criminal act, willful misconduct to our detriment or a failure to perform agreed duties. Furthermore, either we or an executive officer may terminate employment at any time without cause upon advance written notice to the other party. Except in the case of Mr. Lawrence Yau Lung Ho, upon notice to terminate employment from either the executive officer or our Company, our Company may limit the executive officer's services for a period until the termination of employment. Each executive officer (or his estate, as applicable) is entitled to accrued amounts in relation to such executive officer's employment with us upon termination due to disability or death. We will indemnify an executive officer for his or her losses based on or related to his or her acts and decisions made in the course of his or her performance of duties within the scope of his or her employment.

Each executive officer has agreed to hold, both during and after the termination of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or as compelled by law, any of our or our customers' confidential information or trade secrets. Each executive officer also agrees to comply with all material applicable laws and regulations related to his or her responsibilities at our Company as well as all material written corporate and business policies and procedures of our Company.

Each executive officer is prohibited from gambling at any of our Company's facilities during the term of his or her employment and six months following the termination of such employment agreement.

Each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and for certain periods following the termination of such employment agreement. Specifically, each executive officer has agreed not to (i) assume employment with or provide services as a director for any of our competitors who operate in a restricted area for six months following termination of employment; (ii) solicit or seek any business orders from our customers for one year following termination of

employment; or (iii) seek directly or indirectly, to solicit the services of any of our employees for one year following termination of employment. The restricted area is defined as, including but not limited to, Hong Kong, Macau, the Philippines and any other country or region in which our Company operates or intends to operate.

D. EMPLOYEES

Employees

We had 19,746, 23,078 and 21,413 employees as of December 31, 2020, 2019 and 2018, respectively. The following table sets forth the number of employees categorized by the areas of operations and as a percentage of our workforce as of December 31, 2020, 2019 and 2018. Staff remuneration packages are determined taking into account market conditions and the performance of the individuals concerned, and are subject to review from time to time.

	As of December 31,					
	2020		2019		2018	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Mocha Clubs	647	3.3%	693	3.1%	745	3.5%
Altira Macau	1,554	7.9%	1,686	7.3%	1,668	7.8%
City of Dreams	7,660	38.8%	8,706	37.7%	8,312	38.8%
Corporate and centralized services [(1)]	700	3.5%	675	2.9%	676	3.1%
Studio City	3,923	19.9%	4,485	19.4%	4,374	20.4%
City of Dreams Manila	4,551	23.0%	5,867	25.4%	5,638	26.3%
Cyprus Operations	711	3.6%	965	4.2%	—	—
Total	19,746	100.0%	23,078	100.0%	21,413	100.0%

(1) For the purposes of this table, includes employees at our ski resort in Nagano, Japan described under “Item 4B. Business Overview — Our Land and Premises — Other Premises”.

Other than the rank-and-file employees of the Table Games Division of City of Dreams Manila, none of our employees are members of any labor union and we are not party to any collective bargaining or similar agreement with our employees. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — The success of our business depends on our ability to attract and retain an adequate number of qualified personnel. A limited labor supply, increased competition and any increase in demands from our employees could cause labor costs to increase.”

We have implemented a number of employee attraction and retention initiatives over recent years for the benefit of our employees and their families. These initiatives include, among others, a unique in-house learning academy (which provides curriculum across multi-functional tracks such as technical training — gaming and non-gaming, sales and marketing, legal, finance, human resources, computer application, language, service, leadership and lifestyle), a foundation acceleration program designed to enhance our employees’ understanding of business perspectives beyond their own jobs, an on-site high school diploma program and Diploma in Casino Management program (a collaboration with The University of Macau), the Diploma in Hospitality Management (a collaboration with the Institute for Tourism Studies), scholarship awards to encourage the concept of life-long learning, as well as ample internal promotion and transfer opportunities. In September 2015, we launched the Melco You-niversity program with the Edinburgh Napier University, an overseas institution based in the United Kingdom which was rated ‘Excellent’ in Eduniversal 2014 ranking, to bring a bachelor degree program in-house.

E. SHARE OWNERSHIP

Share Ownership of Directors and Members of Senior Management

The following table sets forth the beneficial interest of each director and executive officer in our ordinary shares as of March 26, 2021.

Name	Number of ordinary shares	Approximate percentage of shareholding[1]
Lawrence Yau Lung Ho	812,729,781 [2]	55.80%
	8,416,287 [3]	0.58%
Clarence Yuk Man Chung	*	*
Evan Andrew Winkler	*	*
Alec Yiu Wa Tsui	*	*
Thomas Jefferson Wu	*	*
John William Crawford	*	*
Francesca Galante	*	*
Geoffrey Stuart Davis	*	*
Stephanie Cheung	*	*
Akiko Takahashi	*	*
Directors and executive officers as a group	827,111,798	56.79%

* The options, restricted shares and our shares in aggregate held by each of these directors and executive officers represent less than 1% of our total outstanding shares.

(1) Percentage of beneficial ownership of each director and executive officer is based on: (i) 1,456,547,942 ordinary shares of our Company outstanding as of March 26, 2021, (ii) the number of ordinary shares of underlying options that have vested or will vest within 60 days after March 26, 2021 and (iii) the number of restricted shares that will vest within 60 days after March 26, 2021, each as held by such person as of that date.

(2) Represents 812,729,781 ordinary shares which may be deemed to be beneficially owned by Melco Leisure, a company wholly owned by Melco International, a Hong Kong company listed on the HKSE. Mr. Lawrence Ho is taken to have interest in these shares as a result of his interest in approximately 58.13% of the total issued shares of Melco International by virtue of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). Please see “Item 7. Major Shareholders and Related Party Transactions” for more details.

(3) Comprises 1,446,498 shares acquired from exercise of options and 5,355,483 share options granted under the 2011 Share Incentive Plans and vested to Mr. Lawrence Ho as of March 26, 2021. The following table summarizes, as of March 26, 2021, the outstanding options and restricted shares (including 5,355,483 vested but unexercised share options) held by Mr. Lawrence Ho:

Name	Type of awards	Grant date	Last exercisable date and expiration date of share options	Exercise price of share options per share /Fair value of restricted shares at grant date per share (US$)	Number of underlying shares outstanding
Lawrence Yau Lung Ho	Share options	March 29, 2012	March 28, 2022	3.9270[+]	474,399
	Share options	May 10, 2013	May 9, 2023	5.3163[+]	362,610
	Share options	March 28, 2014	March 27, 2024	5.3163[+]	320,343
	Share options	March 30, 2015	March 29, 2025	5.3163[+]	690,291
	Share options	March 18, 2016	March 17, 2026	5.3163[+]	1,302,840
	Share options	March 31, 2017	March 30, 2027	6.18	1,470,000
	Share options	April 2, 2018	April 1, 2028	9.40	1,470,000
	Restricted shares	March 29, 2018	N/A	9.66	265,692
	Restricted shares	April 1, 2019	N/A	8.1433	1,227,228
	Restricted shares	March 31, 2020	N/A	4.1333	4,661,340
				Total	**12,244,743**

[+] With effect from March 18, 2016, the exercise price of all outstanding share options awarded in 2013, 2014 and 2015 under the 2011 Share Incentive Plan were reduced and the vesting schedule of such outstanding share options was extended. In addition, on February 10, 2017, we reduced the exercise price of all outstanding and unexercised options granted prior to January 19, 2017 by approximately US$0.4404 per share (equivalent to approximately US$1.3212 per ADS) as a result of our declaration of special dividends in January 2017. Further on March 31, 2017, we reduced the exercise price of certain share options outstanding as of such date by approximately US$0.3293 per share (equivalent to approximately US$0.988 per ADS) reflecting prior special dividends. The adjustments to the option exercise prices in 2017 were made as required by our 2006 Share Incentive Plan and 2011 Share Incentive Plan.

None of our directors or executive officers who are shareholders have different voting rights from other shareholders of our Company.

Share Incentive Plans

We adopted the 2006 Share Incentive Plan, 2011 Share Incentive Plan and MRP Share Incentive Plan. The 2006 Share Incentive Plan has been succeeded by our 2011 Share Incentive Plan. No further awards may be granted under the 2006 Share Incentive Plan. All subsequent awards will be issued under the 2011 Share Incentive Plan. Awards previously granted under the 2006 Share Incentive Plan shall remain subject to the terms and conditions of the 2006 Share Incentive Plan. As of December 31, 2020, all share options and restricted shares granted under the 2006 Share Incentive Plan had vested. MRP, our subsidiary, has also adopted the MRP Share Incentive Plan. All outstanding awards under the MRP Share Incentive plan were retired in 2019.

2011 Share Incentive Plan

We adopted the 2011 Share Incentive Plan to provide our employees, directors and consultants with incentives to increase shareholder value, and to attract and retain the services of those upon whom we depend for the success of our business. The 2011 Share Incentive Plan was conditionally approved by our shareholders at the extraordinary general meeting held on October 6, 2011 and became effective upon commencement of dealings in our shares on the HKSE on December 7, 2011. Amendments to the 2011 Share Incentive Plan were approved by

our shareholders on May 20, 2015 and on December 7, 2016. The amendments to our 2011 Share Incentive Plan approved by our shareholders on December 7, 2016 were to, among other things, include provisions relating to share option schemes required by the Rules Governing the Listing of Securities on the HKSE following the consolidation of the financial results of our Company in the financial statements of Melco International as a result of our repurchase of 155,000,000 ordinary shares of our Company (equivalent to 51,666,666 ADSs) from Crown Asia Investments Pty, Ltd. and the subsequent cancellation of such shares and with certain changes in the composition of our board of directors in May 2016. Such provisions in our 2011 Share Incentive Plan required by the HKSE rules shall automatically lapse to the extent the requirements under the HKSE rules are no longer applicable to us. The maximum aggregate number of shares which may be issued pursuant to all awards is 100,000,000 shares. As of December 31, 2020, we have granted (i) share options to subscribe for a total of 38,850,423 shares and (ii) restricted shares in respect of a total of 24,943,635 shares pursuant to the 2011 Share Incentive Plan. The 2011 Share Incentive Plan succeeds the 2006 Share Incentive Plan.

The following paragraphs describe the principal terms included in the current 2011 Share Incentive Plan.

Types of Awards. The awards that may be granted under the plan include options, incentive share options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units.

Eligible Participants. We may grant awards to directors, employees and consultants of our Company, any parent or subsidiary of our Company, or any of our related entities that our board designates as a related entity for the purposes of the 2011 Share Incentive Plan. Our compensation committee may, from time to time, select from among all eligible individuals, those to whom awards shall be granted and shall determine the nature and amount of each award.

Option Periods and Payments. Our compensation committee may in its discretion determine, subject to the plan expiration period, 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; the amount, if any, payable on application or acceptance of the option.

Plan Administration. Our compensation committee will administer the 2011 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 compensation committee's decisions are final, binding, and conclusive for all purposes and upon all parties.

Award Agreement. Awards granted will be evidenced by an award agreement that sets forth the terms, conditions and limitations for each award.

Exercise Price. Our compensation committee may determine the exercise price or purchase price, if any, of any award.

Term of Awards. The term of each award shall be stated in the award agreement. If the participant ceases to be eligible for any reason, the validity of the award shall depend on the terms and conditions of the award agreement. An option will lapse automatically and may not be exercised upon the first to occur of the following events: (a) ten years from the date of the grant, unless an earlier time is set out in the 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) the date on which the participant ceases to be eligible by reason of termination of relationship with us and/or any of our subsidiaries on grounds that such participant has been guilty of serious misconduct or convicted of any criminal offense involving integrity or honesty; and (e) date on which our compensation committee cancels the option.

Change in Control and Corporate Transactions. Upon the consummation of a merger or consolidation in which our Company is not the surviving entity, a change of control of our Company, a sale of substantially all of our assets, the complete liquidation or dissolution of our Company or a reverse takeover, each award will terminate, unless the award is assumed by the successor entity. If the successor entity assumes the 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, upon termination of the participant's employment without cause within 12 months of such corporate transaction. If the 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 corporate transaction, provided that the participant remains eligible on the effective date of the corporate transaction.

Amendment and Termination. With the approval of the Board, our compensation committee may terminate, amend or modify the 2011 Share Incentive Plan, except certain amendments requiring the approval of our shareholders and/or the shareholders of Melco International pursuant to the applicable law. Except amendments made pursuant to the above, no termination, amendment or modification of the plan shall adversely affect in any material way any award previously granted under the plan or any previous plans, without the prior written consent of the participant.

The 2011 Share Incentive Plan will expire ten years after December 7, 2011, the date on which it became effective. No awards may be granted pursuant to the 2011 Share Incentive Plan after that time.

Vesting Schedule. In general, our compensation committee determined, or the award agreement would specify, the vesting schedule.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The following table sets forth the beneficial ownership of our ordinary shares as of March 26, 2021 by all persons who are known to us to be the beneficial owners of 5% or more of our issued share capital.

	Ordinary shares beneficially owned [1]	
Name	Number	%
Melco Leisure [2][3]	812,729,781	55.80
Capital Research Global Investors [4]	88,307,793	6.06
EuroPacific Growth Fund [5]	81,804,750	5.62

(1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act, and includes voting or investment power with respect to the securities.

(2) The address of Melco International and Melco Leisure is The Penthouse, 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. Melco International is listed on the Main Board of the HKSE.

(3) 812,729,781 ordinary shares are beneficially owned by Mr. Lawrence Ho through Melco Leisure as of March 26, 2021. As of March 26, 2021, Mr. Lawrence Ho, our chairman, chief executive officer and director as well as the chairman, chief executive officer and executive director of Melco International, personally holds 85,625,132 ordinary shares of Melco International, representing approximately 5.65% of the total issued shares of Melco International. In addition, 122,243,024 ordinary shares of Melco International are held by Lasting Legend Ltd., 301,368,606 ordinary shares of Melco International are held by Better Joy Overseas Ltd., 53,491,345 ordinary shares of Melco International are held by Mighty Dragon Developments Limited and 1,566,000 ordinary shares of Melco International are held by Maple Peak

Investments Inc., representing approximately 8.06%, 19.88%, 3.53% and 0.10% of the total issued shares of Melco International, all of which companies are owned by Mr. Ho, and/or persons and/or trusts affiliated with Mr. Ho. Mr. Ho also has interest in L3G Holdings Inc. (formerly known as Great Respect Limited), a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho and his immediate family members and held 312,666,187 ordinary shares of Melco International, representing 20.63% of the total issued shares of Melco International. Moreover, Ms. Lo Sau Yan, Sharen, the spouse of Mr. Ho, personally holds 4,212,102 ordinary shares of Melco International, representing 0.28% of the total issued shares of Melco International. Therefore, we believe that Mr. Ho holds an aggregate of 881,172,396 ordinary shares of Melco International, representing approximately 58.13% of the total issued shares of Melco International, including beneficial interest, interest of his controlled corporations, interest of his spouse and interest of a trust in which he is one of the beneficiaries and taken to have interest by virtue of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). Melco Leisure is a wholly-owned subsidiary of Melco International.

(4) Reflects 88,307,793 ordinary shares represented by ADSs. Information regarding beneficial ownership is reported as of December 31, 2020 and is based on the information contained in the Schedule 13G filed by Capital Research Global Investors with the SEC on February 16, 2021. The address of Capital Research Global Investors is 333 South Hope Street, Los Angeles, CA 90071.

(5) Reflects 81,804,750 ordinary shares represented by ADSs. Information regarding beneficial ownership is reported as of December 31, 2018 and is based on the information contained in the Schedule 13G filed by EuroPacific Growth Fund with the SEC on February 14, 2019. According to information reported therein, the 81,804,750 ordinary shares may also be reflected in a filing made by Capital Research Global Investors, Capital International Investors, and/or Capital World Investors. The address of EuroPacific Growth Fund is 333 South Hope Street Los Angeles, California 90071.

In May 2016, we repurchased 155 million ordinary shares (equivalent to 51,666,666 ADSs) from Crown Asia Investments Pty, Ltd. for the aggregate purchase price of US$800.8 million. Following completion of the repurchase and cancellation of such shares, Melco International became our single largest shareholder. In December 2016, Crown Asia Investments Pty, Ltd. sold 40,925,499 ordinary shares of our Company in an underwritten offering and, concurrently, entered into cash-settled swap transactions relating to a fixed number of our ordinary shares. In February 2017, the privately-negotiated sale by Crown Asia Investments Pty, Ltd. to Melco Leisure, through which Melco Leisure purchased 198,000,000 of our ordinary shares from Crown Asia Investments Pty, Ltd., closed and Melco International became our majority shareholder. In connection with a credit facility entered into by, among others, Melco International in relation to such acquisition, Melco Leisure has pledged 502,057,472 ordinary shares of our Company held by it. In May 2017, we issued and sold 27,769,248 ADSs (equivalent to 83,307,744 ordinary shares) and 81,995,799 ordinary shares and also repurchased 165,303,544 ordinary shares from Crown Asia Investments Pty, Ltd. for the aggregate purchase price of US$1.2 billion, and such shares repurchased by us were subsequently cancelled by us.

As of December 31, 2020, a total of 1,456,547,942 ordinary shares were outstanding, of which 643,278,731 ordinary shares were registered in the name of a nominee of Deutsche Bank Trust Company Americas, the depositary under the deposit agreement. Other than as described in this annual report, we have no further information as to shares held, or beneficially owned, by U.S. persons. Since the completion of our initial public offering in December 2006, all ordinary shares underlying the ADSs have been held in Hong Kong by the custodian, Deutsche Bank AG, Hong Kong Branch, on behalf of the depositary.

None of our shareholders will have different voting rights from other shareholders after the filing of this annual report. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our Company.

See “Item 4. Information on the Company — C. Organizational Structure” for our current corporate structure.

B. RELATED PARTY TRANSACTIONS

For discussion of significant related party transactions we entered into during the years ended December 31, 2020, 2019 and 2018, see note 23 to the consolidated financial statements included elsewhere in this annual report.

Employment Agreements

We have entered into employment agreements with key management and personnel of our Company and our subsidiaries. See "Item 6. Directors, Senior Management and Employees — C. Board Practices — Employment Agreements."

Equity Incentive Plans

See "Item 6. Directors, Senior Management and Employees — B. Compensation of Directors and Executive Officers."

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

We have appended consolidated financial statements filed as part of this annual report.

Legal and Administrative Proceedings

We are currently a party to certain legal and administrative proceedings, investigations and claims, which relate to matters arising out of the ordinary course of our business. Based on the current status of such proceedings and the information currently available, our management does not believe that the outcome of such proceedings will have a material adverse effect on our business, financial condition or results of operations.

Dividend Policy

In February 2020, we declared a quarterly dividend of US$0.05504 per ordinary share of the Company (equivalent to US$0.16512 per ADS) to our shareholders whose names appeared on our register of members as of the close of business on March 2, 2020. On May 14, 2020, we announced the suspension of the Company's quarterly dividend program to preserve liquidity in light of the COVID-19 pandemic and to continue investing in our business. Our board will continue to review from time to time our dividend policy as part of our commitment to maximizing shareholder value, taking into consideration our financial performance and market conditions.

Our board retains complete discretion on whether to pay dividends. Even if our board decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our board may deem relevant. Dividends will be declared and paid in Hong Kong dollar for holders of ordinary shares and U.S. dollar for holders of our ADSs.

All subsidiaries incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25%

to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the boards of directors or administration of the relevant subsidiaries.

Our 2015 Credit Facilities, 2020 Credit Facilities, Studio City Notes, 2028 Studio City Senior Secured Credit Facility and other indebtedness we may incur contain, or may be expected to contain, restrictions on payment of dividends to us, which is expected to affect our ability to pay dividends in the foreseeable future. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Shares and ADSs — We cannot assure you that we will make dividend payments in the future."

Under the Companies Act (as amended) of the Cayman Islands, subject to the provisions of our amended and restated memorandum and articles of association adopted on March 29, 2017, the share premium account of our Company may be applied to pay distributions or dividends to shareholders, provided that immediately following the date the distribution or dividend is proposed to be paid, we are able to pay our debts as they fall due in the ordinary course of business.

B. SIGNIFICANT CHANGES

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9.THE OFFER AND LISTING

Not applicable, except for Item 9.A.4 and Item 9.C.

Our ADSs, each representing three ordinary shares, have been listed on Nasdaq under the symbol "MPEL" from December 19, 2006 to April 5, 2017 and under the symbol "MLCO" since April 6, 2017. Our ordinary shares were listed on the HKSE under the stock code "6883" from December 7, 2011 until July 3, 2015. On January 2, 2015, we applied for a voluntary withdrawal of listing of our ordinary shares on the Main Board of the HKSE, which was approved by our shareholders on March 25, 2015. The voluntary withdrawal of listing of our ordinary shares on HKSE took effect on July 3, 2015, following which our shares are only traded on the Nasdaq Global Select Market in the form of ADSs.

ITEM 10.ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Our registered office is located at Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. We are incorporated in the Cayman Islands as an exempted company with limited liability, are registered with the Cayman Islands Registrar of Companies and have been assigned registration number 143119. Section 3 of our amended and restated memorandum of association provides that the objects for which our company was established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (as amended) of the Cayman Islands (hereinafter the "Companies Act").

The following are summaries of material provisions of our memorandum and articles of association and the Companies Act, insofar as they relate to the material terms of our ordinary shares.

General

All of our outstanding ordinary shares are fully paid and non-assessable. Some of the ordinary shares are issued in registered form only with no share certificates. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Under article 3 of our memorandum of association, the objects for which we were established are unrestricted and we have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Act and our articles of association. Our articles of association do not provide a time limit after which a shareholder's entitlement to an unclaimed dividend lapses.

Directors

Directors of our company may be appointed either by an ordinary resolution of the shareholders or by the affirmative vote of all directors. Each director holds office until the expiry of his or her term and until a successor has been elected or appointed. Our articles of association do not require directors to stand for reelection at staggered intervals.

Voting Rights

Each ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by our chairman or one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 10 % of the paid up voting share capital of our company.

A quorum required for a meeting of shareholders consists of one or more shareholders who hold at least one-third of our ordinary shares at the meeting present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Shareholders' meetings are held annually and may be convened by our board on its own initiative or upon a request to the directors by shareholders holding in aggregate at least ten percent of our ordinary shares. Advance notice of at least seven days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of not less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution will be required for important matters such as changing our name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Subject to the restrictions of our articles of association, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board.

Our board may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates, and such other evidence as our board may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required; or
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

If our directors refuse to register a transfer they must, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the register closed at such times and for such periods as our board may from time to time determine, provided, however, that the registration of transfers may not be suspended nor the register closed for more than 30 days in any year.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares will be distributed among the holders of the ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 clear days prior to the specified time and place of payment. The ordinary shares that have been called upon and remain unpaid on the specified time are subject to forfeiture. Shareholders are not liable for any capital calls by the company except to the extent there is an amount unpaid on their shares.

Redemption of Ordinary Shares

Subject to the provisions of the Companies Act, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as the directors may determine.

Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration

Our memorandum and articles of association prohibit anyone who is an unsuitable person or an affiliate of an unsuitable person from:

- receiving dividends or interest with regard to our shares;
- exercising voting or other rights conferred by our shares; and
- receiving any remuneration in any form from us or an affiliated company for services rendered or otherwise.

Such unsuitable person or its affiliate must sell all of the shares, or allow us to redeem or repurchase the shares on such terms and manner as the directors may determine and agree with the shareholders, within such period of time as specified by a gaming authority.

These prohibitions commence on the date that a gaming authority serves notice of a determination of unsuitability or our board determines that a person or its affiliate is unsuitable and continue until the securities are owned or controlled by persons found suitable by a gaming authority or our board, as applicable, to own them. An "unsuitable person" is any person who is determined by a gaming authority to be unsuitable to own or control any of our shares or who causes us or any affiliated company to lose or to be threatened with the loss of any gaming license, or who, in the sole discretion of our board, is deemed likely to jeopardize our or any of our affiliates' application for, receipt of approval for right to the use of, or entitlement to, any gaming license.

The terms "affiliated companies," "gaming authority" and "person" have the meanings set forth in our articles of association.

Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate

Our memorandum and articles of association provide that shares owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable by us, out of funds legally available for that redemption, by appropriate action of our board to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable by our board having regard to relevant gaming laws. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price and the right to receive any dividends declared prior to any receipt of any written notice from a gaming authority declaring the suitable person to be an unsuitable person but not yet paid. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or, if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by our board. The price for the shares will not exceed the closing price per share of the shares on the principal national securities exchange on which the shares are then listed on the trading date on the day before the redemption notice is given. If the shares are not then listed, the redemption price will not exceed the closing sales price of the shares as quoted on an automated quotation system, or if the closing price is not then reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. Our right of redemption is not exclusive of any other rights that we may have or later acquire under any agreement, its bylaws or otherwise. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as we elect.

Our memorandum and articles of association require any unsuitable person and any affiliate of an unsuitable person to indemnify us and our affiliated companies for any and all losses, costs and expenses, including attorneys' fees, incurred by us and our subsidiaries as a result of the unsuitable person's or affiliate's ownership or control of shares, the neglect, refusal or other failure to comply with the provisions of our memorandum and articles of association relating to unsuitable persons, or failure to promptly divest itself of any shares in us.

Variations of Rights of Shares

All or any of the rights attached to any class of shares may, subject to the provisions of the Companies Act, be varied or abrogated either with the unanimous written consent of the holders of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Changes in Capital

We may from time to time by ordinary resolution:

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution may prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- sub-divide our existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

We may by special resolution reduce our share capital and any capital redemption reserve in any manner authorized by law.

Accounts and Audit

No shareholder (other than a director) has any right to inspect any of our accounting record or book or document except as conferred by law or authorized by our board or our company by ordinary resolution of the shareholders.

Subject to compliance with all applicable laws, we may send to every person entitled to receive notices of our general meetings under the provisions of the articles of association a summary financial statement derived from our annual accounts and our board's report.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the articles of association. The remuneration of the auditors shall be fixed by our board.

Our financial statements shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the shareholders in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

Exempted Company

We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- annual reporting requirements are minimal and consist mainly of a statement that the company has conducted its operations mainly outside of the Cayman Islands and has complied with the provisions of the Companies Act;

- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Differences in Corporate Law

The Companies Act is modeled after that of England and Wales but does not follow recent statutory enactments in England. In addition, the Companies Act differs from laws applicable to Delaware corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to Delaware corporations and their shareholders.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes:

- a "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company; and
- a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company.

In order to effect a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by:

- a special resolution of the shareholders of each constituent company; and
- such other authorization, if any, as may be specified in such constituent company's articles of association.

A merger between a parent company incorporated in the Cayman Islands and its subsidiary or subsidiaries incorporated in the Cayman Islands does not require authorization by a resolution of shareholders of the constituent companies provided a copy of the plan of merger is given to every shareholder of each subsidiary company to be merged unless that shareholder agrees otherwise. For this purpose, a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The plan of merger or consolidation must be filed with the Registrar of Companies in the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger and consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares if they follow the required procedures, subject to certain exceptions. The fair value of the shares will be determined by the Cayman Islands court if it cannot be agreed among the parties. Court approval is not required for a merger or consolidation effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands.

While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a take-over offer is made and accepted by holders of not less than 90% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

Derivative actions have been brought in the Cayman Islands courts. In most cases, the company will be the proper plaintiff in any claim based on a breach of duty owed to it, and a claim against (for example) the company's officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components, the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would

exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director must act in a manner he or she reasonably believes to be in the best interests of the corporation. A director must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company, and therefore it is considered that he or she owes the following duties to the company: a duty to act bona fide in the best interests of the company, a duty not to make a profit out of his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, there are indications that the courts are moving towards an objective standard with regard to the required skill and care.

Under our memorandum and articles of association, directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with our company must declare the nature of their interest at a meeting of the board of directors. Following such declaration, a director may vote in respect of any contract or proposed contract notwithstanding his or her interest.

Shareholder Action by Written Resolution

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may eliminate the right of stockholders to act by written consent. Our memorandum and articles of association allow shareholders to act by written resolutions.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled for a single director, which increases the shareholder's voting interest with respect to electing such director.

As permitted under Cayman Islands law, our memorandum and articles of association do not provide for cumulative voting.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Under our memorandum and articles of association, directors can be removed by special resolution of the shareholders.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions entered into must be bona fide in the best interests of the company, for a proper corporate purpose and not with the effect of perpetrating a fraud on the minority shareholders.

Dissolution and Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting interest of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. The Delaware General Corporation Law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under our memorandum and articles of association, a resolution that our company be wound up by the court or be wound up voluntarily shall be a special resolution, except where the company is to be wound up voluntarily because it is unable to pay its debts as they may fall due in which event the resolution shall be an ordinary resolution.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.

Under Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the unanimous consent in writing of the holders of the issued shares of the relevant class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of such class by a majority of two-thirds of the votes cast at such a meeting.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Our memorandum and articles of association may be amended by a special resolution of shareholders.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Holders of our shares have no general right under Cayman Islands law, nor any right under our memorandum and articles of association, to inspect or obtain copies of our register of members or our corporate records. However, we intend to provide our shareholders with annual reports containing audited financial statements.

Anti-takeover Provisions in our Memorandum and Articles of Association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

Such shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue these preference shares, the price of our ordinary shares may fall and the voting and other rights of the holders of our ordinary shares may be materially and adversely affected.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Rights of Non-resident or Foreign Shareholders

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

C. MATERIAL CONTRACTS

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" and "Item 7. Major Shareholders and Related Party Transactions" or elsewhere in this annual report on Form 20-F.

D. EXCHANGE CONTROLS

With regard to our operations in Macau, no foreign exchange controls exist in Macau and Hong Kong and there is a free flow of capital into and out of Macau and Hong Kong. There are no restrictions on remittances of H.K. dollar or any other currency from Macau and Hong Kong to persons not resident in Macau and Hong Kong for the purpose of paying dividends or otherwise. No foreign exchange controls exist in the Cayman Islands.

With regard to our operations in the Philippines, the Philippines has been liberalizing foreign exchange controls in the country, and has adopted a floating exchange rate regime. In any event, the Philippine peso still

fluctuates against the H.K. dollar and the U.S. dollar from time to time. Although there are no restrictions or limits on the amounts of the Philippine peso or foreign currency that may be taken in or out of the country, the Bangko Sentral ng Pilipinas (BSP), the Central Bank of the Philippines, imposed a requirement that inward and outward transfers of the Philippine peso in excess of PHP50,000 must be with prior authorization of BSP, while foreign currency in excess of US$10,000 or its equivalent must be declared to the Bureau of Customs Desk at the airport upon arrival or before departure, as the case may be.

With regard to our operations in Cyprus, no foreign exchange controls exist and there is a free flow of capital into and out of Cyprus. There are no restrictions on remittances of Euros or any other currency from Cyprus to persons not resident in Cyprus for the purpose of paying dividends or otherwise. There are no restrictions on the import or export of local or foreign currency. However, amounts exceeding EUR10,000 in cash (or its equivalent) or in gold must be declared at the Customs and Excise department desk at the airport upon departure, regardless of whether traveling to or from a country inside or outside the European Union.

E. TAXATION

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of our ordinary shares or on an instrument of transfer in respect of our ordinary shares.

United States Federal Income Taxation

The following discussion describes certain material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the ADSs or ordinary shares. The effects of any applicable state or local laws and other U.S. federal tax laws such as estate and gift tax laws, and the impact of the alternative minimum tax and the Medicare contribution tax on net investment income, are not discussed. This discussion applies only to U.S. Holders that hold the ADSs or ordinary shares as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended, or the Code (generally, property held for investment), and that have the U.S. dollar as their functional currency. This discussion is based on the tax laws of the United States as of the date of this annual report and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address all U.S. federal income tax consequences relevant to a holder’s particular circumstances or to holders subject to particular rules, including:

- banks;

- certain financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to mark to market;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- tax-exempt entities;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our stock by vote or value;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to ADSs or ordinary shares being taken into account in an "applicable financial statement" (as defined in the Code);
- persons who acquired ADSs or ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation;
- persons that hold ADSs or ordinary shares through a permanent establishment or fixed base outside the United States; or
- partnerships or pass-through entities, or persons holding ADSs or ordinary shares through such entities.

INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ADSs OR ORDINARY SHARES.

The discussion below of the U.S. federal income tax consequences to "U.S. Holders" will apply to you if you are the beneficial owner of ADSs or ordinary shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

If you are a partner in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that holds ADSs or ordinary shares, your tax treatment will generally depend on your status and the activities of the partnership. If you are a partner in such partnership, you should consult your tax advisor.

The discussion below assumes the representations contained in the deposit agreement are true and the obligations in the deposit agreement and any related agreement will be complied with in accordance with their

terms. If you own ADSs, you should be treated as the owner of the underlying ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, deposits or withdrawals of ordinary shares for ADSs will not be subject to U.S. federal income tax.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security (for example, pre-releasing ADSs to persons that do not have the beneficial ownership of the securities underlying the ADSs). Accordingly, the availability of a reduced tax rate for any dividends received by certain non-corporate U.S. Holders, including individual U.S. Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our Company if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of underlying ordinary shares.

Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, the gross amount of any distributions we make to you with respect to the ADSs or ordinary shares (including the amount of any taxes withheld therefrom) generally will be includible in your gross income as dividend income on the date of receipt by the depositary, in the case of ADSs, or on the date of receipt by you, in the case of ordinary shares, but only to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Any such dividends will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from other U.S. corporations. To the extent the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or ordinary shares, as capital gain. We currently do not, and we do not intend to, calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that any distribution will generally be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, any dividends may be taxed at the lower capital gains rate applicable to “qualified dividend income,” provided (1) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the United States, (2) we are neither a PFIC nor treated as such with respect to you (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Under U.S. Internal Revenue Service authority, ADSs will be considered for purposes of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq, as are our ADSs. There can be no assurance that our ADSs will continue to be readily tradable on an established securities market in later years. Consequently, there can be no assurance that dividends paid on our ADSs will continue to qualify for the reduced tax rates. You should consult your tax advisors regarding the availability of the lower capital gains rate applicable to qualified dividend income for any dividends paid with respect to our ADSs or ordinary shares.

Any dividends we pay with respect to our ADSs or ordinary shares will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation generally will be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, any dividends we pay with respect to the ADSs or ordinary shares will generally constitute “passive category income.”

Taxation of Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of ADSs or ordinary shares equal to the difference between the amount realized for the ADSs or ordinary shares and your tax basis in the ADSs or ordinary shares. The gain or loss generally will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, that has held the ADSs or ordinary shares for more than one year, you may be eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. Any gain or loss you recognize on a disposition of ADSs or ordinary shares will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes. You should consult your tax advisors regarding the proper treatment of gain or loss in your particular circumstances.

Passive Foreign Investment Company

Based on the market price of our ADSs and ordinary shares, and the composition of our income and assets, we do not believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2020. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. Furthermore, because PFIC status is a factual determination based on actual results for the entire taxable year, our U.S. counsel expresses no opinion with respect to our PFIC status and expresses no opinion with respect to this paragraph. A non-U.S. corporation will be a PFIC for U.S. federal income tax purposes for any taxable year if either:

- at least 75% of its gross income for such year is passive income; or
- at least 50% of the value of its assets (generally based on a quarterly average) during such year is attributable to assets that produce passive income or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person), as well as gains from the sale of assets (such as stock) that produce passive income, foreign currency gains, and certain other categories of income. For purposes of determining whether we are a PFIC, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, fluctuations in the market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, we generally will continue to be treated as a PFIC with respect to you for that year and for all succeeding years during which you hold ADSs or ordinary shares (regardless of whether we continue to meet the tests described above), unless we cease to be a PFIC and you make a “deemed sale” election with respect to the ADSs or ordinary shares. If such election is made, you will be deemed to have sold ADSs or ordinary shares you hold at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described in the following two paragraphs. After the deemed sale election, your ADSs or ordinary shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC. You are urged to consult your tax advisor about this election.

For each taxable year we are treated as a PFIC with respect to you, you will be subject to special tax rules with respect to any “excess distribution” you receive and any gain you recognize from a sale or other

disposition (including a pledge) of the ADSs or ordinary shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or recognized gain will be allocated ratably over your holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year, and any taxable years in your holding period prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each other taxable year will be subject to tax at the highest income tax rate in effect for individuals or corporations, as applicable, for each such year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale or other disposition of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

If we are a PFIC with respect to you for any taxable year, to the extent any of our subsidiaries are also PFICs or we make direct or indirect equity investments in other entities that are PFICs, you will be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in that proportion which the value of the ADSs or ordinary shares you own bears to the value of all of our ADSs or ordinary shares, as applicable, and you may be subject to the adverse tax consequences described in the preceding two paragraphs with respect to the shares of such lower-tier PFICs that you would be deemed to own. You should consult your tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

A U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the PFIC rules described above regarding excess distributions and recognized gains. If you make an effective mark-to-market election for the ADSs or ordinary shares, you will include in income for each year we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You will be allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or other disposition of the ADSs or ordinary shares, to the extent the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. If you make a mark-to-market election, any distributions we make would generally be subject to the rules discussed above under "— Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares," except the lower rate applicable to qualified dividend income would not apply.

The mark-to-market election is available only for "marketable stock," which generally is stock that is regularly traded on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. Our ADSs are listed on the Nasdaq, which is a qualified exchange or other market for these purposes. Consequently, if the ADSs continue to be listed on Nasdaq and are regularly traded, and you are a holder of ADSs, we expect the mark-to-market election would be available to you if we were to become a PFIC. There can be no assurance that the ADSs will be "regularly traded" for purposes of the mark-to-market election. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that we own, a U.S. Holder

may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. You should consult your tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Alternatively, if a non-U.S. corporation is a PFIC, a holder of shares in that corporation may elect out of the PFIC rules described above regarding excess distributions and recognized gains by making a "qualified electing fund" election to include in income its *pro rata* share of the corporation's income on a current basis. However, you may make a qualified electing fund election with respect to your ADSs or ordinary shares only if we agree to furnish you annually with certain tax information, and we currently do not intend to prepare or provide such information.

Unless otherwise provided by the U.S. Treasury, each U.S. Holder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. If we are or become a PFIC, you should consult your tax advisors regarding any reporting requirements that may apply to you.

You are strongly urged to consult your tax advisors regarding the application of the PFIC rules to your investment in ADSs or ordinary shares.

Information Reporting and Backup Withholding

Any dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or other taxable disposition of ADSs or ordinary shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. U.S. Holders that are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. The Company does not assume responsibility for backup withholding. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information in a timely manner.

Additional Reporting Requirements

Certain U.S. Holders who are individuals are required to report information relating to an interest in our common shares, subject to certain exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions). You should consult your tax advisors regarding the effect, if any, of these rules on your ownership and disposition of ADSs or ordinary shares.

THE DISCUSSION ABOVE IS A GENERAL DISCUSSION. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ADSs OR ORDINARY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file an annual report on Form 20-F no later than four months after the close of each fiscal year, which is December 31. As permitted by the SEC, in Item 19 of this annual report, we incorporate by reference certain information we have filed with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this annual report.

Copies of reports and other information, when so filed, may be inspected without charge at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC- 0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our financial statements have been prepared in accordance with U.S. GAAP. Our annual reports will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP.

Nasdaq Stock Market Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our Company and its subsidiaries a reasonable period of time prior to our Company's annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depositary bank, Deutsche Bank. In addition, we intend to post our annual report on our website www.melco-resorts.com. Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers (Hong Kong), our Cayman Islands counsel, has provided a letter to the Nasdaq certifying that under the Companies Act (as amended) of the Cayman Islands, we are not required to deliver annual reports to our shareholders prior to an annual general meeting.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates.

Foreign Exchange Risk

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollar. The majority of our

revenues are denominated in H.K. dollar, given the H.K. dollar is the predominant currency used in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Pataca, H.K. dollar and the Philippine peso. In addition, a significant portion of our indebtedness, including the Melco Resorts Finance Notes and the Studio City Notes, and certain expenses, have been and are denominated in U.S. dollar, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollar. We also have a certain portion of our assets and liabilities denominated in the Philippine peso and the Euro.

The value of the H.K. dollar, Pataca, the Philippine peso and the Euro against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be de-pegged, de-linked or otherwise modified and subject to fluctuations. Any significant fluctuations in exchange rates between the H.K. dollar, Pataca, the Philippine peso or the Euro to U.S. dollar may have a material adverse effect on our revenues and financial condition.

We accept foreign currencies from our customers and as of December 31, 2020, in addition to H.K. dollar, Pataca and the Philippine peso and the Euro, we also hold other foreign currencies. However, any foreign exchange risk exposure associated with those currencies is minimal.

We have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the year ended December 31, 2020. Instead, we maintain a certain amount of our operating funds in the same currencies in which we have obligations, thereby reducing our exposure to currency fluctuations. However, we occasionally enter into foreign exchange transactions as part of financing transactions and capital expenditure programs.

See note 12 to the consolidated financial statements included elsewhere in this annual report for further details related to our indebtedness as of December 31, 2020.

Major currencies in which our cash and bank balances (including restricted cash) held as of December 31, 2020 were U.S. dollar, H.K. dollar, the Philippine peso, the Euro and Pataca. Based on the cash and bank balances as of December 31, 2020, an assumed 1% change in the exchange rates between currencies other than U.S. dollar against the U.S. dollar would cause a maximum foreign transaction gain or loss of approximately US$8.9 million for the year ended December 31, 2020.

Based on the balances of indebtedness denominated in currencies other than U.S. dollar as of December 31, 2020, an assumed 1% change in the exchange rates between currencies other than U.S. dollar against the U.S. dollar would cause a foreign transaction gain or loss of approximately US$2.5 million for the year ended December 31, 2020.

Interest Rate Risk

Our exposure to interest rate risk is associated with our indebtedness bearing interest based on floating rates. We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings and we may supplement by hedging activities in a manner we deem prudent. We cannot be sure that these risk management strategies have had the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

As of December 31, 2020, we are subject to fluctuations in HIBOR as a result of our 2015 Credit Facilities, 2020 Credit Facilities and 2021 Studio City Senior Secured Credit Facility. As of December 31, 2020, approximately 96% of our total indebtedness was based on fixed rates. Based on our December 31, 2020 indebtedness level, an assumed 100 basis point change in HIBOR would cause our annual interest cost to change by approximately US$2.5 million.

To the extent that we effect hedging in respect of our credit facilities, the counterparties to such hedging will also benefit from the security and guarantees we provide to the lenders under such credit facilities, which could increase our aggregate secured indebtedness. We do not intend to engage in transactions in derivatives or other financial instruments for trading or speculative purposes and we expect the provisions of our existing and any future credit facilities to restrict or prohibit the use of derivatives and financial instruments for purposes other than hedging.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

Persons depositing shares are charged a fee for each issuance of ADSs, including issuances resulting from distributions of shares, share dividends, share splits, bonus and rights distributions and other property, and for each surrender of ADSs in exchange for deposited securities. The fee in each case is not in excess of US$5.00 for each 100 ADSs (or fraction thereof) issued or surrendered. Any holder of ADSs is charged a fee not in excess of US$5.00 per 100 ADSs (or portion thereof) issued upon the exercise of rights. The depositary also charges a fee not in excess of US$5.00 per 100 ADSs held for the distribution of cash proceeds pursuant to cash dividends, sale of rights and other entitlements or otherwise. The depositary may also charge an annual fee not in excess of US$5.00 per 100 ADSs for the operation and maintenance costs in administering the ADSs. Persons depositing shares may also be required to pay the following charges:

- Taxes (including any applicable interest and penalties thereon) and other governmental charges;
- Cable, telex, facsimile and electronic transmission and delivery expenses;
- Registration fees as may from time to time be in effect for the registration of shares or other deposited securities with the foreign registrar and applicable to transfers of shares or other deposited securities to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- Expenses and charges incurred by the depositary in connection with the conversion of foreign currency;
- Fees and expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to the shares, deposited securities and ADSs; and
- Any additional fees, charges, costs or expenses that may be incurred by the depositary from time to time.

We will pay all other charges and expenses of the depositary and any agent of the depositary, except the custodian, pursuant to agreements from time to time between us and the depositary. We and the depositary may amend the fees described above from time to time.

Depositary fees payable upon the issuance and cancelation of ADSs are generally paid to the depositary by the brokers receiving the newly issued ADSs from the depositary and by the brokers delivering the ADSs to the depositary for cancelation. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary service fee are charged by the depositary to the holders of record of ADSs as of the applicable ADS record date.

In the case of cash distributions, service fees are generally deducted from the cash being distributed. In the case of distributions other than cash, such as stock dividends or certain rights, the depositary charges the applicable ADS record date holder concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or in The Depository Trust Company ("DTC")), the depositary sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary generally collects the fees through the settlement systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the service fees paid to the depositary.

Fees and Other Payments Made by the Depositary to Us

In 2020, we did not receive any fees or other payments from the depositary.

PART II

ITEM 13.DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14.MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15.CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this annual report, our management, with the participation of our chief executive officer and our chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, it should be noted that any controls and procedures, no matter how well designed and operated, can only provide reasonable, but not absolute, assurance of achieving the desired control objectives and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms, and accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act.

Our Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our Company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our Company's assets;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Company's management assessed the effectiveness of our Company's internal control over financial reporting as of December 31, 2020. In making this assessment, our Company's management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework (2013)*.

Based on this assessment, management concluded that, as of December 31, 2020, our Company's internal control over financial reporting is effective based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework (2013)*.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of our Company's internal control over financial reporting as of December 31, 2020, has been audited by Ernst & Young, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Controls Over Financial Reporting

There were no changes in our Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our Company's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board has determined that Mr. John William Crawford qualifies as "audit committee financial expert" as defined in Item 16A of Form 20-F. Each of the members of our audit and risk committee satisfies the "independence" requirements of the Nasdaq corporate governance rules and Rule 10A-3 under the Exchange Act. See "Item 6. Directors, Senior Management and Employees."

ITEM 16B.CODE OF ETHICS

Our board has adopted a code of business conduct and ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our chief executive officer, chief financial officer and any other persons who perform similar functions for us. The code of business conduct and ethics was last amended on December 1, 2020 to include additional guidelines relating to workplace health and safety. We have posted our current code of business conduct and ethics on our website at www.melco-resorts.com. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person's written request.

ITEM 16C.PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our principal external auditors, for the years indicated. We did not pay any other fees to our auditor during the years indicated below.

	Year Ended December 31,	
	2020	2019
	(In thousands of US$)	
Audit fees [(1)]	$ 1,612	$ 2,133
Audit-related fees[(2)]	2,211	393
Tax fees [(3)]	183	298
All other fees [(4)]	200	183

(1) "Audit fees" means the aggregate fees in each of the fiscal years indicated for our calendar year audits.

(2) "Audit-related fees" primarily include the aggregate fees for professional services provided in connection with the issuances of senior notes by the Company and other assurance services;

(3) "Tax fees" include the aggregate fees for tax consultations.

(4) "All other fees" include the aggregate fees for advisory services and an annual charge for an online technical accounting research tool.

The policy of our audit and risk committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services and other services, other than those for *de minimis* services which are approved by our audit and risk committee prior to the completion of the audit.

For the years ended December 31, 2020 and 2019, none of the total audit-related, tax and all other fees as described above were approved by our audit and risk committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X, respectively.

ITEM 16D.EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E.PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In March 2020, we repurchased 9,446,472 ordinary shares at an average price of approximately US$4.75 per ordinary share under the share repurchase program we announced in November 2018.

The maximum dollar value of ordinary shares that may yet be purchased under the share repurchase program announced in November 2018 is approximately US$298.8 million.

ITEM 16F.CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G.CORPORATE GOVERNANCE

Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. For example, Nasdaq Stock Market Rule 5605(b)(1) generally requires that a majority of an issuer's board of directors must consist of independent directors. Since September 5, 2018, we have had a majority of independent directors serving on our board. Prior to that, we relied on this "home country practice" exception when we did not have a majority of independent directors serving on our board.

In addition, Nasdaq Stock Market Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our Company and its subsidiaries a reasonable period of time prior to our Company's annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depositary bank, Deutsche Bank. We intend to post our annual report on our website www.melco-resorts.com. Lastly, Nasdaq Stock Market Rule 5635 requires each issuer to obtain shareholder approval prior to the issuance of securities in certain circumstances in connection with the acquisition of the stock or assets of another company, equity based compensation of officers, directors, employees or consultants, change of control and certain transactions other than a public offering. Walkers (Hong Kong), our Cayman Islands counsel, has provided letters to Nasdaq certifying that under the Companies Act (as amended) of the Cayman Islands, we are not required to: (i) have a majority of independent directors serving on our board; (ii) deliver annual reports to our shareholders prior to an annual general meeting; or (iii) obtain shareholders' approval prior to any issuance of our ordinary shares. The foregoing is subject to our memorandum and articles of association, as amended and restated from time to time.

ITEM 16H.MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17.FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18.FINANCIAL STATEMENTS

The consolidated financial statements of Melco Resorts & Entertainment Limited and its subsidiaries are included at the end of this annual report.

ITEM 19.EXHIBITS

Exhibit Number	Description of Document
1.1	Amended and Restated Memorandum and Articles of Association adopted on March 29, 2017 (incorporated by reference to Exhibit 1.1 from our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178), filed with the SEC on April 11, 2017)
2.1	Form of Registrant's American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-1 registration statement (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.3	Form of Deposit Agreement among the Company, the depositary and the holders and beneficial owners of the American depositary shares issued thereunder (incorporated by reference to Exhibit (a) from Amendment No. 1 to our registration statement on Form F-6 (File No. 333-139159) filed with the SEC on November 29, 2011)
2.4	Deed of Variation and Amendment dated July 27, 2007 between our Company, Melco Leisure and Entertainment Group Limited, Melco International Development Limited, PBL Asia Investments Limited, Publishing and Broadcasting Limited and Crown Limited (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-1 (File No. 333-146780), as amended, initially filed with the SEC on October 18, 2007)
2.5	Form of Registration Rights Agreement among our Company, Melco Leisure and Entertainment Group Limited and PBL (incorporated by reference to Exhibit 4.10 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.6	Indenture, dated November 26, 2012, among Studio City Finance Limited, certain subsidiaries of Studio City Finance Limited from time to time parties thereto, DB Trustees (Hong Kong) Limited, as trustee and collateral agent, Deutsche Bank Trust Company Americas, as principal paying agent, U.S. registrar and transfer agent, and Deutsche Bank Luxembourg S.A., as European registrar (incorporated by reference to Exhibit 2.10 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.7	Pledge Agreement, dated November 26, 2012, by Studio City Finance Limited in favor of DB Trustees (Hong Kong) Limited as collateral agent (incorporated by reference to Exhibit 2.11 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.8	Pledge Over Accounts, dated November 26, 2012, among Studio City Finance Limited, DB Trustees (Hong Kong) Limited as collateral agent and Bank of China Limited, Macau Branch as escrow agent and note disbursement agent (incorporated by reference to Exhibit 2.12 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.9	Escrow Agreement, dated November 26, 2012, among Studio City Finance Limited, DB Trustees (Hong Kong) Limited as trustee and collateral agent and Bank of China Limited, Macau Branch as escrow agent (incorporated by reference to Exhibit 2.13 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.10	Intercompany Note, dated November 26, 2012, issued by Studio City Investments Limited (incorporated by reference to Exhibit 2.14 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)

Exhibit Number	Description of Document
2.11	Note Disbursement and Account Agreement, dated November 26, 2012, among Studio City Finance Limited, Studio City Company Limited as borrower, DB Trustees (Hong Kong) Limited as trustee and collateral agent and Bank of China Limited, Macau Branch as note disbursement agent (incorporated by reference to Exhibit 2.15 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.12	Senior Term Loan and Revolving Facilities Agreement, dated January 28, 2013, among Studio City Investments Limited, Studio City Company Limited, certain guarantors as specified therein, Australia and New Zealand Banking Group Limited, Bank of America, N.A., Bank of China Limited, Macau Branch, Citigroup Global Markets Asia Limited, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Macau) Limited and UBS AG Hong Kong Branch as bookrunner mandated lead arrangers, certain other entities as specified therein as mandated lead arranger, lead arrangers, arranger, senior managers and managers, certain financial institutions as lenders, Deutsche Bank AG, Hong Kong Branch as facility agent, Industrial and Commercial Bank of China (Macau) Limited as agent and security trustee, disbursement agent and agent for the agent and security trustee and Bank of China Limited, Macau Branch as issuing bank (incorporated by reference to Exhibit 2.16 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.13	Amendment Agreement, dated March 1, 2013, between Studio City Investments Limited and Deutsche Bank AG, Hong Kong Branch as facility agent, relating to a senior facilities agreement dated January 28, 2013 (incorporated by reference to Exhibit 2.18 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.14	Loan Agreement dated December 23, 2013, among MCO (Philippines) Investments Limited as lender, Melco Resorts Leisure as borrower and MRP and certain of its subsidiaries from time to time as guarantors, in respect of a term loan facility by the lender to the borrower in the amount of up to US$ 340 million (incorporated by reference to Exhibit 2.21 from our annual report on Form 20-F forth fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
2.15	Amended and Restated Shareholders' Deed, dated December 14, 2016, entered into between Melco Leisure and Entertainment Group Limited, Melco International Development Limited, Crown Asia Investments Pty. Ltd., Crown Resorts Limited and the Company (incorporated by reference to Exhibit 99.1 of our current report on Form 6-K (File No. 001-33178) furnished with the SEC on December 19, 2016)
2.16	Amendment No. 1 and Joinder to Registration Rights Agreement among our Company, Crown Asia Investments Pty Ltd, Crown Resorts Limited, Melco Leisure and Entertainment Group Limited and Melco International Development Limited, dated as of February 9, 2017 (incorporated by reference to Exhibit 2.19 from our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178), filed with the SEC on April 11, 2017)
2.17	Indenture among Studio City Company Limited, as issuer, Studio City Investments Limited, as parent guarantor, the subsidiary guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee, relating to 5.875% Senior Secured Notes due 2019 (incorporated by reference to Exhibit 99.2 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)

Exhibit Number	Description of Document
2.18	Supplemental Indenture among Studio City Company Limited, Industrial and Commercial Bank of China (Macau) Limited, as the security agent, DB Trustees (Hong Kong) Limited, as the intercreditor agent and Deutsche Bank Trust Company Americas, as trustee, relating to 5.875% Senior Secured Notes due 2019 (incorporated by reference to Exhibit 99.3 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
2.19	Second Supplemental Indenture among Studio City Company Limited, Industrial and Commercial Bank of China (Macau) Limited, as the security agent, DB Trustees (Hong Kong) Limited, as the intercreditor agent, Deutsche Bank Trust Company Americas, as trustee, Studio City (HK) Two Limited, as a new guarantor, Studio City Investments Limited, as parent guarantor and the subsidiary guarantors parties thereto, relating to 5.875% Senior Secured Notes due 2019 (incorporated by reference to Exhibit 2.19 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No.001-33178), filed with the SEC on March 29, 2019)
2.20	Indenture among Studio City Company Limited, as issuer, Studio City Investments Limited, as parent guarantor, the subsidiary guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee, relating to 7.250% Senior Secured Notes due 2021 (incorporated by reference to Exhibit 99.4 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
2.21	Supplemental Indenture among Studio City Company Limited, Industrial and Commercial Bank of China (Macau) Limited, as the security agent, DB Trustees (Hong Kong) Limited, as the intercreditor agent and Deutsche Bank Trust Company Americas, as the trustee, relating to 7.250% Senior Secured Notes due 2021 (incorporated by reference to Exhibit 99.5 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
2.22	Second Supplemental Indenture among Studio City Company Limited, Industrial and Commercial Bank of China (Macau) Limited, as the security agent, DB Trustees (Hong Kong) Limited, as the intercreditor agent and Deutsche Bank Trust Company Americas, as the trustee, relating to 7.250% Senior Secured Notes due 2021 (incorporated by reference to Exhibit 2.22 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No.001-33178), filed with the SEC on March 29, 2019)
2.23	Intercreditor Agreement among Studio City Company Limited, the guarantors of the 5.875% Senior Secured Notes due 2019 and 7.250% Senior Secured Notes due 2021, the lenders and agent for Studio City Company Limited's HK$233 million revolving credit facility and HK$1 million term loan facility, the security agent and intercreditor agent named therein, among others (incorporated by reference to Exhibit 99.6 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
2.24	Amendment No. 2 to Registration Rights Agreement among our Company, Crown Asia Investments Pty Ltd, Crown Resorts Limited, Melco Leisure and Entertainment Group Limited and Melco International Development Limited, dated as of May 15, 2017 (incorporated by reference to Exhibit 2.24 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
2.25	Indenture dated June 6, 2017 relating to Melco Resorts Finance Limited's 4.875% 2025 Senior Notes (incorporated by reference to Exhibit 2.25 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
2.26	Termination of Amended and Restated Shareholders' Deed Relating to Melco Resorts & Entertainment Limited, dated May 8, 2017, entered into between Melco Leisure and Entertainment Group Limited, Melco International Development Limited, Crown Asia Investments Pty. Ltd., Crown Resorts Limited and the Company (incorporated by reference to Exhibit 2.26 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)

Exhibit Number	Description of Document
2.27	Indenture among Studio City Finance Limited, as issuer, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee, relating to 7.250% Senior Notes due 2024 (incorporated by reference to Exhibit 2.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No.001-33178), filed with the SEC on March 29, 2019)
2.28	Indenture dated April 26, 2019 relating to Melco Resorts Finance Limited's 5.250% 2026 Senior Notes (incorporated by reference to Exhibit 2.28 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
2.29	Indenture dated July 17, 2019 relating to Melco Resorts Finance Limited's 5.625% 2027 Senior Notes (incorporated by reference to Exhibit 2.29 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
2.30	Indenture dated December 4, 2019 relating to Melco Resorts Finance Limited's 5.375% 2029 Senior Notes (incorporated by reference to Exhibit 2.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
2.31*	Description of Registrant's Securities
2.32*	Indenture dated July 15, 2020 relating to Studio City Finance Limited's 6.000% 2025 Studio City Notes
2.33*	Indenture dated July 15, 2020 relating to Studio City Finance Limited's 6.500% 2028 Studio City Notes
2.34*	Indenture dated July 21, 2020 relating to Melco Resorts Finance Limited's 5.750% 2028 Senior Notes
2.35*	Indenture dated January 14, 2021 relating to Studio City Finance Limited's 5.000% 2029 Studio City Notes
2.36*	Amended and Restated Credit Agreement relating to HK$233 million revolving credit facility and HK$1 million term loan facility dated March 15, 2021, among Studio City Company Limited and certain of its subsidiaries and affiliates with Bank of China Limited, Macau Branch, among others
2.37*	Senior Facilities Agreement, dated April 29, 2020, entered into between, among others, MCO Nominee One Limited, as borrower, and Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Morgan Stanley Senior Funding, Inc., as joint global coordinators regarding the 2020 Credit Facilities
4.1	Form of Indemnification Agreement with our directors and executive officers (incorporated by reference to Exhibit 10.1 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.2	Form of Directors' Agreement (incorporated by reference to Exhibit 10.2 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.3	Form of Employment Agreement between our Company and an executive officer (incorporated by reference to Exhibit 10.3 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.4	English Translation of Subconcession Contract for operating casino games of chance or games of other forms in the Macau Special Administrative Region between Wynn Macau and PBL Macau, dated September 8, 2006 (incorporated by reference to Exhibit 10.4 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.5	English Translation of Order of the Secretary for Public Works and Transportation published in Macau Official Gazette no. 9 of March 1, 2006 (incorporated by reference to Exhibit 10.13 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)

Exhibit Number	Description of Document
4.6	2006 Share Incentive Plan, amended by AGM in May 2009 (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2009 (File No. 001-333178), filed with the SEC on March 31, 2010)
4.7	Trade Mark License dated November 30, 2006 between Crown Limited (now known as Crown Resorts Limited) and the Registrant as the licensee (incorporated by reference to Exhibit 10.24 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.8	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 25/2008 in relation to the City of Dreams Land Concession (incorporated by reference to Exhibit 4.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2010 (File No. 001-33178) filed with the SEC on April 1, 2011)
4.9	Cooperation Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., Belle Corporation, PremiumLeisure and Amusement, Inc., Melco Resorts Leisure, MPHIL Holdings No. 1 Corporation and MPHIL Holdings No. 2 Corporation (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.10	Contract of Lease, dated October 25, 2012, between Belle Corporation and Melco Resorts Leisure (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.11	Closing Arrangement Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., SM Development Corporation, Belle Corporation, PremiumLeisure and Amusement, Inc., Melco Resorts Leisure, MPHIL Holdings No. 1 Corporation, MPHIL Holdings No. 2 Corporation, MCO Projects Limited and Melco Property Development Limited (incorporated by reference to Exhibit 4.38 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.12	Operating Agreement, dated March 13, 2013, among Belle Corporation, SM Investments Corporation, PremiumLeisure and Amusement, Inc., MPHIL Holdings No. 2 Corporation, MPHIL Holdings No. 1 Corporation and Melco Resorts Leisure (incorporated by reference to Exhibit 4.42 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.13	2011 Share Incentive Plan, as amended, approved at the extraordinary general meeting on December 4, 2016 (incorporated by reference to Exhibit 4.25 from our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178), filed with the SEC on April 11, 2017)
4.14	Seventh Amendment in Respect of the Senior Facilities Agreement, dated June 19, 2015, between Melco Resorts Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent (incorporated by reference to Exhibit 4.45 from our annual report on Form 20-F for the fiscal year ended December 31, 2015 (File No. 001-33178), filed with the SEC on April 12, 2016)

Exhibit Number	Description of Document
4.15	Amendments, Waivers and Consent Request Letter, dated October 26, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent (incorporated by reference to Exhibit 4.46 from our annual report on Form 20-F for the fiscal year ended December 31, 2015 (File No. 001-33178), filed with the SEC on April 12, 2016)
4.16	Supplemental Amendments, Waivers and Consent Request Letter, dated November 16, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent (incorporated by reference to Exhibit 4.47 from our annual report on Form 20-F for the fiscal year ended December 31, 2015 (File No. 001-33178), filed with the SEC on April 12, 2016)
4.17	Amended and Restated Credit Agreement relating to Studio City Company Limited's HK$233 million revolving credit facility and HK$1 million term loan facility (incorporated by reference to Exhibit 99.7 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
4.18	Share Repurchase Agreement dated May 4, 2016 between the Registrant and Crown Asia Investments Pty Ltd. (incorporated by reference to Exhibit 99.8 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
4.19	Purchase Agreement among Studio City Company Limited, as issuer, Studio City Investments Limited as parent guarantor, and subsidiary guarantors as specified therein regarding the 5.875% Senior Secured Notes due 2019 and the 7.250% Senior Secured Notes due 2021 (incorporated by reference to Exhibit 99.10 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
4.20	Underwriting Agreement, dated December 15, 2016, among the Company, Crown Asia Investments Pty Ltd, Deutsche Bank Securities Inc., UBS Securities LLC and Morgan Stanley & Co. LLC as underwriters and the dealers named therein (incorporated by reference to Exhibit 1.1 of our current report on Form 6-K (File No. 001-33178) furnished with the SEC on December 19, 2016)
4.21	Underwriting Agreement, dated May 8, 2017, among the Company, Crown Asia Investments Pty Ltd, Deutsche Bank Securities Inc., UBS Securities LLC and Morgan Stanley & Co. LLC as underwriters (incorporated by reference to Exhibit 1.1 of our current report on Form 6-K (File No. 001-33178) furnished with the SEC on May 9, 2017)
4.22	Share Repurchase Agreement, dated May 8, 2017, among Melco Resorts & Entertainment Limited, Crown Asia Investments Pty. Ltd. and Crown Resorts Limited (incorporated by reference to Exhibit 99.1 of our current report on Form 6-K (File No. 001-33178) furnished with the SEC on May 9, 2017)
4.23	Purchase Agreement, dated May 25, 2017, among Melco Resorts Finance Limited, Australia and New Zealand Banking Group Limited, Merrill Lynch International, BOCI Asia Limited, Industrial and Commercial Bank of China (Asia) Limited and Industrial and Commercial Bank of China (Macau) Limited regarding the 4.875% 2025 Senior Notes (incorporated by reference to Exhibit 4.35 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)

Exhibit Number	Description of Document
4.24	Purchase Agreement, dated June 27, 2017, among Melco Resorts Finance Limited, Australia and New Zealand Banking Group Limited, Deutsche Bank AG Singapore Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Asia) Limited and Industrial and Commercial Bank of China (Macau) Limited regarding the 4.875% 2025 Senior Notes (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
4.25	Amended and Restated Shareholders' Agreement, entered into among MCO Cotai Investments Limited, New Cotai, LLC, the Company and SCI in relation to SCI (incorporated by reference to Exhibit 4.25 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No.001-33178), filed with the SEC on March 29, 2019)
4.26	Management Agreement dated August 30, 2008 between Melco Crown COD (GH) Hotel Limited and Hyatt of Macau Ltd (incorporated by reference to Exhibit 4.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.27	Purchase Agreement, dated April 17, 2019 among Melco Resorts Finance Limited, Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities Asia Limited regarding the 5.250% 2026 Senior Notes (incorporated by reference to Exhibit 4.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.28	Purchase Agreement, dated May 30, 2019, between Melco Resorts & Entertainment Limited and CPH Crown Holdings Pty Limited regarding the acquisition of 135.35 million shares of Crown Resorts Limited from CPH Crown Holdings Pty Limited for a price of AUD13.00 per share of Crown Resorts Limited (incorporated by reference to Exhibit 4.28 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.29	Purchase Agreement, dated June 24, 2019, between Melco Resorts & Entertainment Limited and Melco International Development Limited regarding the acquisition of 75% equity interest in ICR Cyprus Holdings Limited from Melco International Development Limited (incorporated by reference to Exhibit 4.29 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.30	Purchase Agreement, dated July 10, 2019 among Melco Resorts Finance Limited, Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited, Mizuho Securities Asia Limited and Morgan Stanley & Co. LLC regarding the 5.625% 2027 Senior Notes (incorporated by reference to Exhibit 4.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.31	Shareholders' Agreement, dated July 31, 2019, between The Cyprus Phassouri (Zakaki) Limited, MCO Europe Holdings (NL) B.V., ICR Cyprus Holdings Limited and Melco Resorts & Entertainment Limited relating to ICR Cyprus Holdings Limited (incorporated by reference to Exhibit 4.31 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)

Exhibit Number	Description of Document
4.32	Amendment Agreement, dated August 28, 2019, between Melco Resorts & Entertainment Limited and CPH Crown Holdings Pty Limited regarding the amendment of the Purchase Agreement entered into between the parties on May 30, 2019 (incorporated by reference to Exhibit 4.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.33	Purchase Agreement, dated November 26, 2019 among Melco Resorts Finance Limited, Deutsche Bank AG, Singapore Branch, Morgan Stanley & Co. LLC, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities Asia Limited and regarding the 5.375% 2029 Senior Notes (incorporated by reference to Exhibit 4.33 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.34	Termination Agreement, dated February 6, 2020, between Melco Resorts & Entertainment Limited and CPH Crown Holdings Pty Limited regarding the termination of the acquisition of 67,675,000 shares of Crown Resorts Limited under the Purchase Agreement (as amended on August 28, 2019) entered into between the parties on May 30, 2019 (incorporated by reference to Exhibit 4.34 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.35**	Supplemental Agreement, dated March 22, 2021, to the Operating Agreement, dated March 13, 2013, among Belle Corporation, SM Investments Corporation, PremiumLeisure and Amusement, Inc., MPHIL Holdings No. 2 Corporation, MPHIL Holdings No. 1 Corporation and Melco Resorts Leisure
4.36**	Supplemental Agreement, dated March 22, 2021, to the Contract of Lease, dated October 25, 2012, between Belle Corporation and Melco Resorts Leisure
8.1*	List of Significant Subsidiaries
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Walkers (Hong Kong)
15.2*	Consent of Ernst & Young
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document

Exhibit Number	Description of Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed with this annual report on Form 20-F

** Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The omitted information is (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

MELCO RESORTS & ENTERTAINMENT LIMITED

Date: March 31, 2021

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Chairman and Chief Executive Officer

MELCO RESORTS & ENTERTAINMENT LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Melco Resorts & Entertainment Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Melco Resorts & Entertainment Limited (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive (loss) income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and the financial statement schedule included in Schedule 1 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 31, 2021 expressed an unqualified opinion thereon.

Adoption of New Accounting Standards

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for accounting for credit losses on financial instruments using the modified retrospective approach in the year ended December 31, 2020 and its method for accounting for leases using the modified retrospective approach in the year ended December 31, 2019.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for credit losses on casino accounts receivable

Description of the Matter

At December 31, 2020, the Company's allowance for credit losses with respect to accounts receivable was US$333.8 million, primarily related to casino accounts receivable. As discussed in the Company's accounting policy in note 2(g) to the consolidated financial statements, the allowance for credit losses on casino accounts receivable is estimated based on specific reviews of customer accounts, management's experience with collection trends of the customers, current economic and business conditions and reasonable and supportable forecasts of future economic and business conditions.

Auditing the Company's allowance for credit losses on casino accounts receivable was complex due to the significant estimates and judgments involved in the development of the expected credit loss model and the significant assumptions used including the determination of the unit of measurement and the estimated loss rates that consider current and future economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's allowance for credit losses on casino accounts receivable estimation process. For example, we tested the controls over the Company's review of its allowance for credit losses on casino accounts receivable, including management's review of the significant assumptions described above.

To test the allowance for credit losses on casino accounts receivable, our audit procedures included, among others, evaluating the methodology used by the Company and testing the completeness and accuracy of the underlying data used by the Company in its expected credit loss model. We also assessed the significant assumptions used by inspecting collection history and correspondence with customers, examining publicly available information on the customers' financial condition and comparing future economic conditions considered in the Company's expected credit loss model to observable market forecast data.

Impairment assessment of long-lived assets

Description of the Matter

At December 31, 2020, the Company's long-lived asset groups to be held and used in the Company's business, comprising of property and equipment, gaming subconcession, other finite-lived intangible assets, land use rights and operating lease right-of-use assets, was US$6,634.3 million. As discussed in the Company's accounting policy in notes 1(b) and 2(n) of the consolidated financial statements, long-lived assets (asset groups) with finite lives to be held and used shall be evaluated for impairment whenever indicators of impairment exist. As the Company generated operating losses due to the severe decline in overall market conditions resulting from the outbreak of coronavirus disease ("COVID-19") in early 2020, the Company evaluated its long-lived assets for recoverability as of December 31, 2020 and concluded no impairment existed at that date as the estimated undiscounted future cash flows exceeded their carrying values.

Auditing the Company's impairment assessments involved a high degree of subjectivity due to the significant estimations required to determine the projected future cash flows of the asset groups. In particular, these estimates are sensitive to significant assumptions, including future revenue growth rates and gross margin, which can be affected by expectations about future market and economic conditions, including the impact of COVID-19.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's impairment assessment process. For example, we tested the controls over management's identification of impairment indicators. We also tested controls over management's review of the significant assumptions described above used to develop the undiscounted cash flow projections of the asset groups.

To test the Company's impairment assessments of the long-lived asset groups, our audit procedures included, among others, evaluating the significant assumptions used to develop the projected future cash flows and testing the completeness and accuracy of the underlying data used by the Company. We compared the significant assumptions including future revenue growth rates and gross margin, to current industry and economic trends, including the impact of COVID-19, as well as to changes in the Company's strategic plans. We assessed the historical accuracy of the Company's cash flow projections by comparing them with actual operating results. Furthermore, we performed sensitivity analyses of the significant assumptions, to evaluate the changes in the future cash flows that could result from changes in the assumptions.

Impairment assessment of goodwill

Description of the Matter

At December 31, 2020, the Company's total goodwill was US$82.2 million. As discussed in the Company's accounting policy in notes 1(b) and 2(m) of the consolidated financial statements, goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable. As the Company generated operating losses due to the severe decline in overall market conditions resulting from the outbreak of COVID-19 in early 2020, the Company performed quantitative assessments for its respective reporting units by estimating the fair values of the reporting units based on an income approach. As a result of these assessments, the Company recognized an impairment loss of US$13.9 million against goodwill of the Japan Ski Resort for the year ended December 31, 2020.

Auditing the Company's goodwill impairment assessment involved subjectivity due to the significant estimation required to determine the fair values of the reporting units. In particular, the fair value estimates are sensitive to significant assumptions, including future revenue growth rates, gross margin, terminal growth rates and discount rates, which can be affected by expectations about future market and economic conditions, including the impact of COVID-19.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment assessment process, including management's review of the significant assumptions described above used in estimating the fair values of the reporting units.

To test the goodwill impairment assessments, our audit procedures included, among others, evaluating the significant assumptions used to estimate fair value and testing the completeness and accuracy of the underlying data used in the discounted cash flow models by the Company. We compared the significant assumptions to current industry and economic trends, including the impact of COVID-19, as well as to changes in the Company's strategic plans. We assessed the historical accuracy of the Company's estimated cash flow forecasts by comparing them with actual operating

results. We involved our valuation specialists to assist in assessing the Company's valuation methodologies and evaluating the discount rates by comparing them to discount rates that were independently developed using observable market information. We recalculated the fair values of the reporting units based on management's significant assumptions and compared it to their carrying values. Furthermore, we performed sensitivity analyses of the significant assumptions to evaluate the changes in the fair values of the reporting units that could result from changes in the assumptions.

/s/ Ernst & Young

We have served as the Company's auditor since 2017.

Hong Kong
March 31, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Melco Resorts & Entertainment Limited

Opinion on Internal Control Over Financial Reporting

We have audited Melco Resorts & Entertainment Limited's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Melco Resorts & Entertainment Limited (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive (loss) income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and the financial statement schedule included in Schedule 1 and our report dated March 31, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young
Hong Kong
March 31, 2021

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,755,351	$ 1,394,982
Investment securities	—	49,369
Restricted cash	13	37,390
Accounts receivable, net of allowances for credit losses of $317,275 and $232,993	129,619	284,333
Amounts due from affiliated companies	765	442
Inventories	37,277	43,959
Prepaid expenses and other current assets	85,798	84,197
Total current assets	2,008,823	1,894,672
Property and equipment, net	5,681,268	5,723,909
Gaming subconcession, net	84,663	141,440
Intangible assets, net	58,833	31,628
Goodwill	82,203	95,620
Long-term prepayments, deposits and other assets, net of allowances for credit losses of $16,517 and $25,026	284,608	176,478
Investment securities	—	568,936
Restricted cash	406	130
Deferred tax assets, net	6,376	3,558
Operating lease right-of-use assets	92,213	111,043
Land use rights, net	721,574	741,008
Total assets	$ 9,020,967	$ 9,488,422
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 9,483	$ 21,882
Accrued expenses and other current liabilities	983,865	1,420,516
Income tax payable	14,164	8,516
Operating lease liabilities, current	27,066	33,152
Finance lease liabilities, current	80,004	39,725
Current portion of long-term debt, net	—	146
Amounts due to affiliated companies	1,668	1,523
Total current liabilities	1,116,250	1,525,460
Long-term debt, net	5,645,391	4,393,985
Other long-term liabilities	29,213	18,773
Deferred tax liabilities, net	45,952	56,677
Operating lease liabilities, non-current	75,867	88,259
Finance lease liabilities, non-current	270,223	262,040
Total liabilities	$ 7,182,896	$ 6,345,194
Commitments and contingencies (Note 22)		

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED BALANCE SHEETS - continued
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2020	2019
Shareholders' equity:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,456,547,942 and 1,456,547,942 shares issued; 1,430,965,312 and 1,437,328,096 shares outstanding, respectively	$ 14,565	$ 14,565
Treasury shares, at cost; 25,582,630 and 19,219,846 shares, respectively	(121,028)	(90,585)
Additional paid-in capital	3,207,312	3,178,579
Accumulated other comprehensive losses	(11,332)	(18,803)
Accumulated losses	(1,987,396)	(644,788)
Total Melco Resorts & Entertainment Limited shareholders' equity	1,102,121	2,438,968
Noncontrolling interests	735,950	704,260
Total shareholders' equity	1,838,071	3,143,228
Total liabilities and shareholders' equity	$ 9,020,967	$ 9,488,422

The accompanying notes are an integral part of these consolidated financial statements.

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2020	2019	2018
Operating revenues:			
Casino	$ 1,471,356	$ 4,976,686	$ 4,496,625
Rooms	108,593	349,908	311,028
Food and beverage	74,528	235,120	204,171
Entertainment, retail and other	73,446	175,087	177,118
Total operating revenues	1,727,923	5,736,801	5,188,942
Operating costs and expenses:			
Casino	(1,350,210)	(3,266,736)	(3,001,310)
Rooms	(46,690)	(89,778)	(78,377)
Food and beverage	(86,123)	(181,456)	(161,184)
Entertainment, retail and other	(55,379)	(99,945)	(92,449)
General and administrative	(424,398)	(559,480)	(505,930)
Payments to the Philippine Parties	(12,989)	(57,428)	(60,778)
Pre-opening costs	(1,322)	(4,847)	(55,390)
Development costs	(25,616)	(57,433)	(23,029)
Amortization of gaming subconcession	(57,411)	(56,841)	(56,809)
Amortization of land use rights	(22,886)	(22,659)	(22,646)
Depreciation and amortization	(538,233)	(571,705)	(488,446)
Property charges and other	(47,223)	(20,815)	(29,147)
Total operating costs and expenses	(2,668,480)	(4,989,123)	(4,575,495)
Operating (loss) income	(940,557)	747,678	613,447
Non-operating income (expenses):			
Interest income	5,134	9,311	5,471
Interest expenses, net of amounts capitalized	(340,839)	(310,102)	(264,880)
Other financing costs	(7,955)	(2,738)	(4,630)
Foreign exchange losses, net	(2,079)	(10,756)	(10,497)
Other (expenses) income, net	(150,969)	(23,914)	3,684
Loss on extinguishment of debt	(19,952)	(6,333)	(3,461)
Costs associated with debt modification	(310)	(579)	—
Total non-operating expenses, net	(516,970)	(345,111)	(274,313)
(Loss) income before income tax	(1,457,527)	402,567	339,134
Income tax credit (expense)	2,913	(8,339)	(238)
Net (loss) income	(1,454,614)	394,228	338,896
Net loss (income) attributable to noncontrolling interests	191,122	(21,055)	1,403
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (1,263,492)	$ 373,173	$ 340,299

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS - continued
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2020	2019	2018
Net (loss) income attributable to Melco Resorts & Entertainment Limited per share:			
Basic	$ (0.882)	$ 0.260	$ 0.226
Diluted	$ (0.884)	$ 0.258	$ 0.224
Weighted average shares outstanding used in net (loss) income attributable to Melco Resorts & Entertainment Limited per share calculation:			
Basic	1,432,052,735	1,436,569,083	1,506,551,789
Diluted	1,432,052,735	1,443,447,422	1,516,410,062

The accompanying notes are an integral part of these consolidated financial statements.

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2019	2018
Net (loss) income	$ (1,454,614)	$ 394,228	$ 338,896
Other comprehensive income (loss):			
Foreign currency translation adjustments, before and after tax	20,394	48,734	(48,900)
Other comprehensive income (loss)	20,394	48,734	(48,900)
Total comprehensive (loss) income	(1,434,220)	442,962	289,996
Comprehensive loss (income) attributable to noncontrolling interests	178,199	(29,260)	16,431
Comprehensive (loss) income attributable to Melco Resorts & Entertainment Limited	$ (1,256,021)	$ 413,702	$ 306,427

The accompanying notes are an integral part of these consolidated financial statements.

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars, except share and per share data)

	Melco Resorts & Entertainment Limited Shareholders' Equity								
	Ordinary Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Losses	Accumulated losses	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance at January 1, 2018	1,533,929,981	$15,339	(9,015,012)	$ (90)	$ 3,864,109	$ (26,610)	$ (774,512)	$ 511,451	$ 3,589,687
Cumulative-effect adjustment upon adoption of new standard on equity investments	—	—	—	—	—	1,150	(1,150)	—	—
Cumulative-effect adjustment upon adoption of New Revenue Standard	—	—	—	—	—	—	(11,286)	(1,684)	(12,970)
Net income for the year	—	—	—	—	—	—	340,299	(1,403)	338,896
Foreign currency translation adjustments	—	—	—	—	—	(33,872)	—	(15,028)	(48,900)
Share-based compensation	—	—	—	—	24,830	—	—	(55)	24,775
Reclassification of share-based compensation plan from equity-settled to cash-settled	—	—	—	—	(505)	—	—	—	(505)
Shares repurchased by the Company	—	—	(96,571,065)	(657,322)	—	—	—	—	(657,322)
Shares issued for future vesting of restricted shares and exercise of share options	4,570,191	46	(4,570,191)	(46)	—	—	—	—	—
Issuance of shares for restricted shares vested	—	—	2,115,809	21	(58)	—	—	—	(37)
Exercise of share options	—	—	4,803,288	48	1,834	—	—	—	1,882
Changes in shareholdings of the Philippine subsidiaries	—	—	—	—	(141,572)	—	—	(57,695)	(199,267)
Changes in shareholdings of Studio City International	—	—	—	—	(31,845)	—	—	239,429	207,584
Dividends declared ($0.1867 per share)	—	—	—	—	(1,214)	—	(270,317)	—	(271,531)
Balance at December 31, 2018	1,538,500,172	15,385	(103,237,171)	(657,389)	3,715,579	(59,332)	(716,966)	675,015	2,972,292
Net income for the year	—	—	—	—	—	—	373,173	21,055	394,228
Foreign currency translation adjustments	—	—	—	—	—	40,529	—	8,205	48,734
Share-based compensation	—	—	—	—	30,815	—	—	10	30,825
Reclassification of share-based compensation plan from equity-settled to cash-settled	—	—	—	—	(4,619)	—	—	(84)	(4,703)
Retirement of repurchased shares	(81,952,230)	(820)	81,952,230	557,818	(556,998)	—	—	—	—
Issuance of shares for restricted shares vested	—	—	1,398,840	6,593	(6,616)	—	—	—	(23)
Exercise of share options	—	—	666,255	2,393	448	—	—	—	2,841
Changes in shareholdings of the Philippine subsidiaries	—	—	—	—	(30)	—	—	59	29
Dividends declared ($0.21348 per share)	—	—	—	—	—	—	(300,995)	—	(300,995)
Balance at December 31, 2019	1,456,547,942	14,565	(19,219,846)	(90,585)	3,178,579	(18,803)	(644,788)	704,260	3,143,228
Net loss for the year	—	—	—	—	—	—	(1,263,492)	(191,122)	(1,454,614)
Foreign currency translation adjustments	—	—	—	—	—	7,471	—	12,923	20,394
Share-based compensation	—	—	—	—	42,276	—	—	9	42,285
Shares repurchased by the Company	—	—	(9,446,472)	(44,977)	—	—	—	—	(44,977)
Issuance of shares for restricted shares vested	—	—	2,694,507	12,700	(12,750)	—	—	—	(50)
Exercise of share options	—	—	389,181	1,834	(773)	—	—	—	1,061
Changes in shareholdings of the Philippine subsidiaries	—	—	—	—	(62)	—	—	19	(43)
Changes in shareholdings of Studio City International	—	—	—	—	42	—	—	218,104	218,146
Dividends declared ($0.05504 per share)	—	—	—	—	—	—	(79,116)	—	(79,116)
Dividends declared to noncontrolling interests	—	—	—	—	—	—	—	(8,243)	(8,243)
Balance at December 31, 2020	1,456,547,942	$14,565	(25,582,630)	$(121,028)	$3,207,312	$ (11,332)	$ (1,987,396)	$ 735,950	$ 1,838,071

The accompanying notes are an integral part of these consolidated financial statements.

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net (loss) income	$(1,454,614)	$ 394,228	$ 338,896
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	618,530	651,205	567,901
Amortization of deferred financing costs and original issue premiums	17,646	20,324	22,311
Interest accretion on finance lease liabilities	30,952	1,942	5,161
Net loss (gain) on disposal of property and equipment	987	(169)	1,518
Impairment loss recognized on property and equipment	8,127	9,590	—
Impairment loss recognized on goodwill	13,867	—	—
Write-off of other assets	—	7,556	—
Provision (reversal) for credit losses	133,597	33,176	(2,637)
Provision for input value-added tax	5,786	3,733	4,095
Loss on extinguishment of debt	19,952	6,333	3,461
Costs associated with debt modification	310	579	—
Share-based compensation	54,392	31,797	25,143
Net losses recognized on investment securities	165,440	41,737	111
Changes in operating assets and liabilities:			
Accounts receivable	27,503	(77,627)	(60,475)
Inventories, prepaid expenses and other	(2,187)	(593)	(26,154)
Long-term prepayments, deposits and other	(29,606)	49,726	14,673
Accounts payable, accrued expenses and other	(470,570)	(341,756)	167,443
Other long-term liabilities	(1,075)	4,381	(8,078)
Net cash (used in) provided by operating activities	(860,963)	836,162	1,053,369
Cash flows from investing activities:			
Payments for capitalized construction costs	(227,672)	(109,851)	(251,233)
Acquisition of property and equipment	(208,860)	(337,560)	(386,824)
Placement of bank deposits with original maturities over three months	(150,000)	(60,152)	(24,823)
Payments for intangible and other assets	(27,335)	(2,505)	(29,476)
Proceeds from sale of property and equipment	554	1,283	595
Withdrawals of bank deposits with original maturities over three months	150,000	60,152	34,675
Proceeds from sale of investment securities	410,001	49,669	40,013
Payments for investment securities	—	(617,848)	(45,048)
Acquisition of a subsidiary	—	(15,037)	—
Net cash used in investing activities	(53,312)	(1,031,849)	(662,121)
Cash flows from financing activities:			
Principal payments on long-term debt	(1,454,837)	(2,592,631)	(592,573)
Payments of deferred financing costs	(84,057)	(28,825)	—
Dividends paid	(79,116)	(300,995)	(271,531)
Repurchase of shares	(44,977)	—	(655,652)
Principal payments on finance lease liabilities	(73)	—	(107)
Proceeds from exercise of share options	1,061	2,700	5,018
Net proceeds from issuance of shares of subsidiaries	218,441	83,233	277,881
Proceeds from long-term debt	2,707,165	2,933,632	1,095,714
Purchase of shares of a subsidiary	—	—	(199,267)
Net cash provided by (used in) financing activities	$ 1,263,607	$ 97,114	$ (340,517)

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2019	2018
Effect of exchange rate on cash, cash equivalents and restricted cash	$ (26,064)	$ 10,486	$ (12,624)
Increase (decrease) in cash, cash equivalents and restricted cash	323,268	(88,087)	38,107
Cash, cash equivalents and restricted cash at beginning of year	1,432,502	1,520,589	1,482,482
Cash, cash equivalents and restricted cash at end of year	$ 1,755,770	$ 1,432,502	$ 1,520,589
Supplemental cash flow disclosures:			
Cash paid for interest, net of amounts capitalized	$ (251,438)	$ (253,312)	$ (239,338)
Cash paid for income taxes, net of refunds	$ (5,364)	$ (3,889)	$ (275)
Cash paid for amounts included in the measurement of lease liabilities — operating cash flows from operating leases	$ (22,362)	$ (40,542)	$ —
Change in operating lease liabilities arising from obtaining operating lease right-of-use assets and lease modification or other reassessment events	$ 3,549	$ 27,693	$ —
Change in accrued expenses and other current liabilities and other long-term liabilities related to acquisition of property and equipment.	$ 34,241	$ 56,623	$ 54,226
Change in input value-added tax related to acquisition of property and equipment	$ —	$ 8,648	$ —
Change in accrued expenses and other current liabilities and other long-term liabilities related to construction costs	$ 66,960	$ 43,236	$ 13,355
Change in amounts due from/to affiliated companies related to construction costs	$ —	$ —	$ 7,759
Change in accrued expenses and other current liabilities related to acquisition of intangible assets	$ 6,356	$ —	$ —
Deferred financing costs included in accrued expenses and other current liabilities	$ 1,356	$ 4,204	$ —
Change in accrued expenses and other current liabilities related to dividends declared to noncontrolling interests	$ 8,243	$ —	$ —
Offering expenses capitalized for the issuance of shares of a subsidiary included in accrued expenses and other current liabilities	$ 445	$ —	$ 5,943
Repurchase of shares included in accrued expenses and other current liabilities	$ —	$ —	$ 1,670

The accompanying notes are an integral part of these consolidated financial statements.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data)

1. ORGANIZATION AND BUSINESS

(a) Company Information

Melco Resorts & Entertainment Limited ("Melco") was incorporated in the Cayman Islands, with its American depositary shares ("ADSs") listed on the Nasdaq Global Select Market under the symbol "MLCO" in the United States of America.

Melco together with its subsidiaries (collectively referred to as the "Company") is a developer, owner and operator of integrated resort facilities in Asia and Europe. The Company currently operates Altira Macau, an integrated resort located at Taipa, the Macau Special Administrative Region of the People's Republic of China ("Macau"), City of Dreams, an integrated resort located at Cotai, Macau and Grand Dragon Casino, a casino located at Taipa, Macau. The Company's business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. Melco, through its subsidiaries, including Studio City International Holdings Limited ("Studio City International"), which is majority-owned by Melco and completed its initial public offering with its ADSs listed on the New York Stock Exchange in October 2018, also operates Studio City, a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a majority-owned subsidiary of Melco operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila. In Europe, Melco, through its majority-owned subsidiaries, ICR Cyprus Holdings Limited ("ICR Cyprus") and its subsidiaries (collectively referred to as "ICR Cyprus Group"), is currently developing City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus ("Cyprus"), and is currently operating a temporary casino in Limassol and is licensed to operate four satellite casinos in Cyprus ("Cyprus Operations"). Upon the opening of City of Dreams Mediterranean, the Company will continue to operate the satellite casinos while operation of the temporary casino will cease.

As of December 31, 2020 and 2019, Melco International Development Limited ("Melco International"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

(b) Recent Developments Related to COVID-19

In connection with the outbreak of the coronavirus (COVID-19) in the first quarter of 2020, travel restrictions, temporary business closures and other prohibitions have been imposed by the People's Republic of China ("PRC"), Macau, the Philippines, Cyprus and other countries or regions throughout the world. Additionally, health-related precautionary measures have been imposed and remain in place at all of the Company's properties which have significantly disrupted its casino and resort operations.

In Macau, on February 5, 2020, the Company's Macau casino operations were suspended for a 15-day period and resumed operations only on a reduced basis on February 20, 2020 with limited visitations from Hong Kong, Taiwan and certain regions of the PRC among other countries and Altira resumed operation on February 24, 2020. In March 2020, the governments in Macau, Hong Kong and certain provinces in the PRC, including Guangdong, imposed further entry bans, restrictions and quarantine requirements on nearly all visitors traveling to and from Macau.

Commencing from July 15, 2020, certain travelers entering Guangdong from Macau were no longer subject to mandatory quarantine, while from August 12, 2020, those entering the PRC from Macau were generally no longer subject to mandatory quarantines. On August 26, 2020, the Chinese

1. ORGANIZATION AND BUSINESS - continued

(b) **Recent Developments Related to COVID-19** - continued

authorities resumed the issuance of Individual Visit Scheme ("IVS") visas for Guangdong residents, while the nationwide resumption of IVS visa issuances commenced on September 23, 2020. On December 21, 2020, the Macau government announced that, generally, individuals who have been to countries and regions other than the PRC and Taiwan in the preceding 21 days are required to undergo a mandatory 21-day quarantine upon entry into Macau from the PRC, Taiwan or Hong Kong. Foreigners continue to be unable to enter Macau, except if they have been in the PRC in the preceding 21 days and are eligible for an exemption application. Despite these developments, the Company's operations continue to be impacted by significant travel bans, restrictions, and quarantine requirements imposed by the governments in Macau, Hong Kong and certain provinces in the PRC on visitors traveling to and from Macau, and such bans, restrictions and requirements have been, and may continue to be, modified by the relevant authorities from time to time as COVID-19 developments unfold.

In the Philippines, City of Dreams Manila was closed due to the Enhanced Community Quarantine for the entire island of Luzon including Metro Manila, which began on March 16, 2020. However, since June 19, 2020, as permitted by the Philippine Amusement and Gaming Corporation ("PAGCOR"), City of Dreams Manila has conducted a dry run of its gaming and hospitality operations with a limited number of participants strictly adhering to the new guidelines on social distancing, hygiene and sanitation procedures imposed by the Philippine government. On August 3, 2020, a Modified Enhanced Community Quarantine was re-imposed in Metro Manila due to the rising number of COVID-19 cases and the dry run was halted for more than two weeks. On August 19, 2020, Metro Manila was placed under a General Community Quarantine and City of Dreams Manila was allowed to resume its dry run previously started in June 2020. On August 24, 2020, the Philippine government allowed PAGCOR-licensed casinos in areas covered by the General Community Quarantine to operate at limited operational capacity. The General Community Quarantine in Metro Manila was originally extended to until March 31, 2021. However, on March 27, 2021, the Philippine government re-imposed the Enhanced Community Quarantine over Metro Manila and adjacent provinces from March 29, 2021 to April 4, 2021 to stem the recent surge of COVID-19 cases. City of Dreams Manila was temporarily closed beginning on March 29, 2021, and will remain closed for the duration of the Enhanced Community Quarantine Period.

In Cyprus, as instructed by the government, the casino operations were closed with effect from March 16, 2020 and resumed on June 13, 2020 except for the satellite casino in Larnaca which was expected to be reopened once it moved to a new location. Commencing from October 23, 2020, the cities of Limassol and Paphos were subject to curfews and from November 5, 2020, the curfew was extended throughout the rest of Cyprus. As a result, the operations in Cyprus are required to be closed during those hours while the curfew remains in place. On November 12, 2020, as part of the regional lockdown, the casino operations in Limassol and Paphos were suspended and from November 30, 2020, in an effort to prevent the spread of COVID-19, the Cyprus government announced a measure which included the closure of the casino operations in Cyprus. The operations in Cyprus are currently closed and will remain closed while such measures remain in place.

The COVID-19 outbreak has also impacted on the construction schedules of the remaining development project at Studio City and the City of Dreams Mediterranean project in Cyprus. The Company currently expects additional time will be needed to complete the construction of these projects.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

1. ORGANIZATION AND BUSINESS - continued

(b) **Recent Developments Related to COVID-19** - continued

The COVID-19 outbreak and the related events have also caused severe disruptions to the Company's resort tenants and other business partners, which may increase the risk of these entities defaulting on their contractual obligations with the Company.

The disruptions to the Company's business had material adverse effects on its financial condition and operations for the year ended December 31, 2020. As the disruptions are ongoing, such adverse effects have continued beyond the 2020 year and the Company is unable to reasonably estimate the financial impact to its future results of operations, cash flows and financial condition due to uncertainties surrounding the business recovery from such disruptions, successful development of safe and effective vaccines and treatment of COVID-19, travel restrictions, customer sentiment and other events related to the COVID-19 outbreak.

As of December 31, 2020, the Company had cash and cash equivalents, of $1,755,351 and available borrowing capacity of $1,744,637, subject to the satisfaction of certain conditions precedent.

The Company has taken various mitigating measures to manage through the current COVID-19 outbreak challenges, such as implementing cost reduction programs to minimize cash outflows for non-essential items, rationalizing the Company's capital expenditure programs with deferrals and reductions, refinancing certain existing borrowings and raising additional capital through new senior note offerings.

The Company believes it will be able to support continuing operations and capital expenditures for at least twelve months from the date of these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Presentation and Principles of Consolidation**

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

The accompanying consolidated financial statements include the accounts of Melco and its subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

(b) **Use of Estimates**

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) **Fair Value of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The Company estimated the fair values using appropriate valuation methodologies and market information available as of the balance sheet date.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less.

Cash equivalents are placed with financial institutions with high-credit ratings and quality.

(e) **Investment Securities**

Investment securities consist of investments in mutual funds that mainly invest in bonds and fixed interest securities and investments in equity interests in a public company on which the Company has no significant influence. The investment securities are considered as marketable equity securities. Management determines the appropriate classification of its investment securities at the time of purchase and re-evaluates the classifications at each balance sheet date. Investment securities are classified as either current and non-current based on the nature of each security and its availability for use in current operations.

Investment securities are measured at fair value with changes in fair values recognized through net income in the accompanying consolidated statements of operations.

(f) **Restricted Cash**

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Company expects these funds will be released or utilized in accordance with the terms of the respective agreements within the next twelve months, while the non-current portion of restricted cash represents funds that will not be released or utilized within the next twelve months. Restricted cash mainly consists of i) bank accounts that are restricted for withdrawals and for payment of project costs or debt servicing associated with borrowings under the respective senior notes and credit facilities; and ii) collateral bank accounts associated with borrowings under the credit facilities.

(g) **Accounts Receivable and Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino receivables. The Company issues credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is also given to its gaming promoters in Macau and the Philippines, which receivables can be offset against commissions payable and any other value items held by the Company to the respective customers and for which the Company intends to set off when required. As of December 31, 2020 and 2019, a substantial portion of the Company's markers were due from customers and gaming promoters residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce the Company's receivables to their carrying amounts, which reflects the net amount the Company expects to collect. The allowance is estimated based on specific reviews of customer accounts with a balance over a specified

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(g) **Accounts Receivable and Credit Risk** - continued

dollar amount, based upon the age of the account, the customer's financial condition as well as management's experience with collection trends of the customers, current economic and business conditions, and management's expectations of future economic and business conditions and forecasts.

Management believes that as of December 31, 2020 and 2019, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(h) **Inventories**

Inventories consist of retail merchandise, food and beverage items and certain operating supplies, which are stated at the lower of cost or net realizable value. Cost is calculated using the first-in, first-out, weighted average and specific identification methods.

(i) **Property and Equipment**

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and impairment losses, if any. Gains or losses on dispositions of property and equipment are included in the accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of the Company's integrated resort facilities, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll-benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activity is substantially suspended.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened.

Property and equipment are depreciated and amortized over the following estimated useful lives on a straight-line basis:

Freehold land	Not depreciated
Buildings	4 to 40 years
Transportation	5 to 10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 15 years
Plant and gaming machinery	3 to 5 years

(j) **Capitalized Interest**

Interest, including amortization of deferred financing costs, associated with major development and construction projects is capitalized and included in the cost of the projects. The capitalization of interest ceases when the project is substantially completed or the development activity is substantially suspended. The amount to be capitalized is determined by applying the weighted average interest rate of the Company's outstanding borrowings to the average amount of accumulated qualifying capital

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(j) **Capitalized Interest** - continued

expenditures for assets under construction during the year. Total interest expenses incurred amounted to $352,673, $310,102 and $285,947, of which 11,834, nil and $21,067 were capitalized during the years ended December 31, 2020, 2019 and 2018, respectively.

(k) **Gaming Subconcession**

The deemed cost of the gaming subconcession in Macau was capitalized based on the fair value of the gaming subconcession agreement as of the date of acquisition of Melco Resorts (Macau) Limited ("Melco Resorts Macau"), a subsidiary of Melco and the holder of the gaming subconcession in Macau, in 2006, and amortized over the term of agreement which is due to expire in June 2022 on a straight-line basis.

(l) **Internal-Use Software**

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful lives of the software of 3 to 15 years on a straight-line basis. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

(m) **Goodwill and Intangible Assets**

Goodwill represents the excess of the acquisition cost over the fair value of tangible and identifiable intangible net assets of any business acquired. Goodwill is not amortized, but is tested for impairment at the reporting unit level on an annual basis, and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable.

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are carried at cost, less accumulated amortization. The Company's finite-lived intangible assets consist of the gaming subconcession, internal-use software and proprietary rights. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. The Company's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate the carrying value of the intangible assets may not be recoverable.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company may first perform a qualitative assessment to determine whether it is more likely than not that the asset is impaired. If it is determined that it is more likely than not that the asset is impaired after assessing the qualitative factors, the Company then performs a quantitative impairment test. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment loss is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. On January 1, 2020, the Company adopted the accounting standards update on goodwill impairment test on a prospective basis. To perform a quantitative impairment test of goodwill, the Company performs an

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(m) **Goodwill and Intangible Assets** - continued

assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair values of the reporting units were determined using income valuation approaches through the application of discounted cash flow method. Estimating fair values of the reporting units involves significant assumptions, including future revenue growth rates, gross margin, terminal growth rates and discount rates. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

During the year ended December 31, 2020, an impairment loss of $13,867 was recognized against goodwill of the Japan Ski Resort as described in Note 25 as a result of a significant decline in profits due in large part to the COVID-19 pandemic. No impairment losses were recognized during the years ended December 31, 2019 and 2018.

(n) **Impairment of Long-lived Assets (Other Than Goodwill)**

The Company evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the assets, on an undiscounted basis, to the carrying values of the assets. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates and gross margin. If the undiscounted cash flows exceed the carrying values, no impairments are indicated. If the undiscounted cash flows do not exceed the carrying values, then an impairment charge is recorded based on the fair values of the assets, typically measured using a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs.

During the years ended December 31, 2020, 2019 and 2018, impairment losses of $8,127, $9,590 and nil were recognized, mainly due to reconfigurations and renovations at the Company's operating properties, and of which $6,293 was provided for the year ended December 31, 2019 for a parcel of freehold land due to a significant decrease in its market value as of December 31, 2019. The fair value of the freehold land was calculated by using level 3 inputs based on direct comparison method. The impairment losses are included in property charges and other in the accompanying consolidated statements of operations. As a result of the COVID-19 pandemic as disclosed in Note 1(b), the Company evaluated its long-lived assets for recoverability as of December 31, 2020 and concluded no impairment existed at that date as the estimated undiscounted future cash flows exceeded their carrying values.

(o) **Deferred Financing Costs**

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expenses over the terms of the related debt agreements using the effective interest method. Deferred financing costs incurred in connection with the issuance of revolving credit facilities are included in other assets either current or non-current in the accompanying consolidated balance sheets, based on the maturity of each revolving credit facility. All other deferred financing costs are presented as a reduction of long-term debt in the accompanying consolidated balance sheets.

(p) **Land Use Rights**

Land use rights represent the upfront land premium paid for the use of land held under operating leases, which are recorded at cost less accumulated amortization. Amortization is provided over the estimated term of the land use rights of 40 years on a straight-line basis.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(q) **Leases**

On January 1, 2019, the Company adopted the guidance on leases under the accounting standards update (as subsequently amended) issued in February 2016 by the Financial Accounting Standards Board ("FASB"), which amends various aspects of existing accounting guidance for leases, using the modified retrospective method without restating comparative information.

The Company elected the package of practical expedients, which allows the Company not to reassess (1) whether any expired or existing contracts as of the adoption date are or contain a lease, (2) lease classification for any expired or existing leases as of the adoption date; and (3) initial direct costs for any existing leases as of the adoption date. As a result of adoption, the Company recognized $154,459 of operating lease right-of-use assets (including the reclassification of deferred rent assets, prepaid rent, deferred rent liabilities and accrued rent to operating lease right-of-use assets) and $170,833 of operating lease liabilities as of January 1, 2019. The adoption of this guidance did not have a material impact on net income or cash flows.

At the inception of the contract or upon modification, the Company will perform an assessment as to whether the contract is a lease or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. A lessee has control of an identified asset if it has both the right to direct the use of the asset and the right to receive substantially all of the economic benefits from the use of the asset.

Finance and operating lease right-of-use assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The initial measurement of the right-of-use assets also includes any prepaid lease payments and any initial direct costs incurred, and is reduced by any lease incentive received. For leases where the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

The Company's lease contracts have lease and non-lease components. For contracts in which the Company is a lessee, the Company accounts for the lease components and non-lease components as a single lease component for all classes of underlying assets, except for real estate. For contracts in which the Company is a lessor, all are accounted for as operating leases, and the lease components and non-lease components are accounted for separately.

(r) **Revenue Recognition**

On January 1, 2018, the Company adopted the guidance under the accounting standards update (as subsequently amended) issued in May 2014 by the FASB, which outlined a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers and superseded most current revenue recognition guidance, including industry-specific guidance ("New Revenue Standard"), using the modified retrospective method. The cumulative effect of the adoption of this guidance did not have a material impact on the accumulated losses as of January 1, 2018. In addition, the adoption of this guidance did not have a material impact on net income, comprehensive

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(r) **Revenue Recognition** - continued

income, basic and diluted net income attributable to Melco Resorts & Entertainment Limited per share amounts for the year ended December 31, 2018 and net assets as of December 31, 2018.

The Company's revenues from contracts with customers consist of casino wagers, sales of rooms, food and beverage, entertainment, retail and other goods and services.

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Company accounts for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers either directly or indirectly through gaming promoters and cash discounts and other cash incentives earned by customers are recorded as a reduction of casino revenues. In addition to the wagers, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivize future gaming or in exchange for incentives or points earned under the Company's non-discretionary incentives programs (including loyalty programs).

For casino transactions that include complimentary goods or services provided by the Company to incentivize future gaming, the Company allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under the Company's control and discretion and supplied by third parties are recorded as operating expenses.

The Company operates different non-discretionary incentives programs in certain of its properties which include loyalty programs (the "Loyalty Programs") to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include points earned under the Loyalty Programs, the Company defers a portion of the revenue by recording the estimated standalone selling prices of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for Company-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue when the wagers are settled.

The Company follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for operations of certain hotels and Grand Dragon Casino and concluded that it is the controlling entity and is the principal to these arrangements. For the operations of certain hotels, the Company is the owner of the hotel properties, and the hotel managers operate the hotels under certain management agreements providing management services to the Company, and the Company receives all rewards and takes substantial risks associated with the hotels' business; it is the principal and the transactions are, therefore, recognized on a gross basis. For the operations of Grand Dragon Casino, given the Company operates the casino under a right to use agreement with the owner of the casino premises and has full responsibility for the casino operations in accordance with its gaming subconcession, it is the principal and casino revenue is, therefore, recognized on a gross basis.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(r) **Revenue Recognition** - continued

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenues when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by the Company are excluded from revenues. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Company are allocated to each good or service based on its relative standalone selling price.

Minimum operating and right to use fees representing lease revenues, adjusted for contractual base fees and operating fee escalations, are included in other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Contract and Contract-Related Liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Company primarily has three types of liabilities related to contracts with customers: (1) outstanding gaming chips and tokens, which represent the amounts owed in exchange for gaming chips held by a customer, (2) loyalty program liabilities, which represent the deferred allocation of revenues relating to incentives earned from the Loyalty Programs, and (3) advance customer deposits and ticket sales, which represent casino front money deposits that are funds deposited by customers before gaming play occurs and advance payments on goods and services yet to be provided such as advance ticket sales and deposits on rooms and convention space. These liabilities are generally expected to be recognized as revenues within one year of being purchased, earned or deposited and are recorded as accrued expenses and other current liabilities on the accompanying consolidated balance sheets. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips and tokens held by customers, increases in unredeemed incentives relating to the Loyalty Programs and additional deposits made by customers.

The following table summarizes the activities related to contract and contract-related liabilities:

	December 31, 2020	December 31, 2019	Increase/ (Decrease)	December 31, 2019	December 31, 2018	Increase/ (Decrease)
Outstanding gaming chips and tokens	$ 205,780	$ 473,330	$ (267,550)	$ 473,330	$ 638,702	$ (165,372)
Loyalty program liabilities	29,175	39,591	(10,416)	39,591	46,729	(7,138)
Advance customer deposits and ticket sales	277,867	255,884	21,983	255,884	386,869	(130,985)
	$ 512,822	$ 768,805	$ (255,983)	$ 768,805	$ 1,072,300	$ (303,495)

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(s) **Gaming Taxes and License Fees**

The Company is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees are mainly recognized as casino expense in the accompanying consolidated statements of operations. These taxes and license fees totaled $754,733, $2,550,755 and $2,372,144 for the years ended December 31, 2020, 2019 and 2018, respectively.

(t) **Pre-opening Costs**

Pre-opening costs represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations and are expensed as incurred. During the years ended December 31, 2020, 2019 and 2018, the Company incurred pre-opening costs primarily in connection with the development of further expansions to City of Dreams, Studio City and Cyprus Operations. The Company also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

(u) **Development Costs**

Development costs include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are expensed as incurred.

(v) **Advertising and Promotional Costs**

The Company expenses advertising and promotional costs the first time the advertising takes place or as incurred. Advertising and promotional costs included in the accompanying consolidated statements of operations were $34,061, $89,376 and $111,633 for the years ended December 31, 2020, 2019 and 2018, respectively.

(w) **Foreign Currency Transactions and Translations**

All transactions in currencies other than functional currencies of Melco and its subsidiaries during the year are remeasured at the exchange rates prevailing on the respective transaction dates. Monetary assets and liabilities existing at the balance sheet date denominated in currencies other than functional currencies are remeasured at the exchange rates existing on that date. Exchange differences are recorded in the accompanying consolidated statements of operations.

The functional currency of Melco is the United States dollar ("$" or "US$") and the functional currency of most of Melco's foreign subsidiaries is the local currency in which the subsidiary operates. All assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date and all income and expense items are translated at the average rates of exchange over the year. All exchange differences arising from the translation of foreign subsidiaries' financial statements are recorded as a component of other comprehensive income (loss).

(x) **Comprehensive (Loss) Income and Accumulated Other Comprehensive Losses**

Comprehensive (loss) income includes net (loss) income and all other non-shareholder changes in equity, or other comprehensive income (loss) and is reported in the accompanying consolidated statements of comprehensive (loss) income.

As of December 31, 2020 and 2019, the Company's accumulated other comprehensive losses consisted solely of foreign currency translation adjustments, net of tax and noncontrolling interests.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(y) **Share-based Compensation Expenses**

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service period. Compensation is attributed to the periods of associated service and such expense is recognized over the vesting period of the awards on a straight-line basis. Forfeitures are recognized when they occur.

Further information on the Company's share-based compensation arrangements is included in Note 17.

(z) **Income Tax**

The Company is subject to income taxes in Macau, Hong Kong, the Philippines, Cyprus and other jurisdictions where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the accompanying consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

The Company's income tax returns are subject to examination by tax authorities in the jurisdictions where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes. These accounting standards utilize a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position, based on the technical merits of position, will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based on cumulative probability.

(aa) **Net (Loss) Income Attributable to Melco Resorts & Entertainment Limited Per Share**

Basic net (loss) income attributable to Melco Resorts & Entertainment Limited per share is calculated by dividing the net (loss) income attributable to Melco Resorts & Entertainment Limited by the weighted average number of ordinary shares outstanding during the year.

Diluted net (loss) income attributable to Melco Resorts & Entertainment Limited per share is calculated by dividing the net (loss) income attributable to Melco Resorts & Entertainment Limited by the weighted average number of ordinary shares outstanding during the year adjusted to include the potentially dilutive effect of outstanding share-based awards.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(aa) **Net (Loss) Income Attributable to Melco Resorts & Entertainment Limited Per Share** - continued

The weighted average number of ordinary and ordinary equivalent shares used in the calculation of basic and diluted net (loss) income attributable to Melco Resorts & Entertainment Limited per share consisted of the following:

	Year Ended December 31,		
	2020	2019	2018
Weighted average number of ordinary shares outstanding used in the calculation of basic net (loss) income attributable to Melco Resorts & Entertainment Limited per share	1,432,052,735	1,436,569,083	1,506,551,789
Incremental weighted average number of ordinary shares from assumed vesting of restricted shares and exercise of share options using the treasury stock method	—	6,878,339	9,858,273
Weighted average number of ordinary shares outstanding used in the calculation of diluted net (loss) income attributable to Melco Resorts & Entertainment Limited per share	1,432,052,735	1,443,447,422	1,516,410,062
Anti-dilutive share options and restricted shares excluded from the calculation of diluted net (loss) income attributable to Melco Resorts & Entertainment Limited per share	40,618,693	8,053,109	7,200,837

(ab) **Recent Changes in Accounting Standards**

Newly Adopted Accounting Pronouncements

In June 2016, the FASB issued an accounting standards update which replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance is applied using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date. The Company adopted this new guidance on January 1, 2020 and this adoption did not have a material impact on its consolidated financial statements.

In January 2017, the FASB issued an accounting standards update when performing the impairment analysis for goodwill which eliminates step two from the goodwill impairment test and instead requires an entity to recognize an impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit. Accordingly, the adoption of this guidance would only impact the Company's consolidated financial statements in situations where an impairment of a reporting unit's assets is determined and there is a measurement of the impairment charge. The Company adopted this new guidance on January 1, 2020 on a prospective basis and applied the guidance for its goodwill impairment test during the year ended December 31, 2020.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(ab) **Recent Changes in Accounting Standards** - continued

Newly Adopted Accounting Pronouncements - continued

In August 2018, the FASB issued an accounting standards update which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by this new guidance. The guidance is applied prospectively. The Company adopted this new guidance on January 1, 2020 and this adoption did not have a material impact on its consolidated financial statements.

Recent Accounting Pronouncement Not Yet Adopted

In December 2019, the FASB issued an accounting standards update which simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in Accounting Standards Codification 740, *Income Taxes*, in order to reduce cost and complexity of its application. This guidance is effective for interim and fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash reported within the accompanying consolidated statements of cash flows consisted of the following:

	December 31,	
	2020	2019
Cash and cash equivalents	$ 1,755,351	$ 1,394,982
Current portion of restricted cash	13	37,390
Non-current portion of restricted cash	406	130
Total cash, cash equivalents and restricted cash	$ 1,755,770	$ 1,432,502

4. INVESTMENT SECURITIES

On May 30, 2019, Melco executed a definitive purchase agreement, as amended on August 28, 2019 (collectively, the “Share Sale Agreement”) pursuant to which Melco agreed to, through its subsidiary, acquire and an independent third party, CPH Crown Holdings Pty Limited (“CPH”), agreed to sell, an aggregate of 135,350,000 shares of Crown Resorts Limited (“Crown”), an Australian-listed corporation, representing approximately 19.99% of the issued shares of Crown, in two equal tranches at Australian dollars (“AUD”) 13.00 per share. On June 6, 2019, the Company completed the acquisition of the first tranche of approximately 9.99% issued shares of Crown and recognized non-current investment securities of AUD880,639,927 (equivalent to $618,455) (including transaction costs).

As of December 31, 2019, the investment securities represented investments in marketable equity securities, which comprised investments in mutual funds that mainly invest in bonds and fixed interest securities of $49,369 and investments in 9.99% issued shares of Crown of AUD812,776,750 (equivalent to $568,936).

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

4. INVESTMENT SECURITIES - continued

On February 6, 2020, the Company agreed with CPH to terminate the obligation to purchase the second tranche of approximately 9.99% issued shares of Crown as contemplated under the Share Sale Agreement at no consideration.

On April 29, 2020, the Company disposed of the first tranche of approximately 9.99% issued shares of Crown at AUD8.15 per share to an independent third party. The aggregate consideration was AUD551,551,250 (equivalent to $359,060). Upon completion of this disposal, the Company ceased to be a shareholder of Crown.

During the year ended December 31, 2020, the Company disposed of all of its investments in mutual funds that were mainly invested in bonds and fixed interest securities.

The components of (losses) gains on marketable equity securities were as follows

	Year Ended December 31,		
	2020	2019	2018
Net losses recognized on market equity securities	$ (165,440)	$ (41,737)	$ (111)
Less: Net losses (gains) recognized on marketable equity securities sold during the year	165,440	(3,085)	1,345
Unrealized (losses) gains recognized on marketable equity securities still held at the reporting date	$ —	$ (44,822)	$ 1,234

5. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2020	2019
Casino	$ 460,863	$ 538,911
Hotel	1,011	4,369
Other	1,537	2,949
Sub-total	463,411	546,229
Less: allowances for credit losses[(1)]	(333,792)	(258,019)
	129,619	288,210
Non-current portion	—	(3,877)
Current portion	$ 129,619	$ 284,333

Note
(1) As of December 31, 2020 and 2019, the allowances for credit losses of $16,517 and $25,026 are recorded as a reduction of the long-term casino accounts receivables, which are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 72.2% and 47.7% of gross casino accounts receivables as of December 31, 2020 and 2019, respectively. The Company's allowances for credit losses from its hotel and other receivables are not material.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

5. ACCOUNTS RECEIVABLE, NET - continued

Movement in the allowances for credit losses are as follows:

	Year Ended December 31,		
	2020	2019	2018
Balance at beginning of year	$ 258,019	$ 228,344	$ 234,485
Provision (reversal) for credit losses	131,845	32,888	(2,479)
Write-offs	(57,868)	(4,460)	(2,115)
Effect of exchange rate	1,796	1,247	(1,547)
Balance at end of year	$ 333,792	$ 258,019	$ 228,344

6. PROPERTY AND EQUIPMENT, NET

	December 31,	
	2020	2019
Cost		
Buildings	$ 6,326,744	$ 6,288,083
Furniture, fixtures and equipment	1,065,280	1,071,341
Leasehold improvements	1,175,678	1,049,332
Plant and gaming machinery	276,499	265,856
Transportation	219,646	218,952
Construction in progress	399,041	143,330
Freehold land	86,603	77,876
Sub-total	9,549,491	9,114,770
Less: accumulated depreciation and amortization	(3,868,223)	(3,390,861)
Property and equipment, net	$ 5,681,268	$ 5,723,909

As of December 31, 2020 and 2019, construction in progress, mainly in relation to Studio City and Cyprus Operations, included interest capitalized in accordance with applicable accounting standards and other direct incidental costs capitalized which, in the aggregate, amounted to $46,277 and $21,774, respectively.

The cost and accumulated depreciation and amortization of right-of-use assets held under finance lease arrangements were $246,638 and $80,565 as of December 31, 2020 and $233,503 and $63,758 as of December 31, 2019, respectively. Further information on the lease arrangements is included in Note 13.

7. GAMING SUBCONCESSION, NET

	December 31,	
	2020	2019
Deemed cost	$ 903,160	$ 898,959
Less: accumulated amortization	(818,497)	(757,519)
Gaming subconcession, net	$ 84,663	$ 141,440

The Company expects that amortization of the gaming subconcession will be approximately $57,439 in 2021 and approximately $27,224 in 2022.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

8. GOODWILL AND INTANGIBLE ASSETS, NET

(a) Goodwill

The changes in the carrying amounts of goodwill by segment are as follows:

	Mocha Clubs[1]	Corporate and Other[2]	Total
Balance at January 1, 2018	$ 81,915	$ —	$ 81,915
Foreign currency translations	(539)	—	(539)
Balance at December 31, 2018	81,376	—	81,376
Acquisition	—	13,731	13,731
Foreign currency translations	444	69	513
Balance at December 31, 2019	81,820	13,800	95,620
Impairment	—	(13,867)	(13,867)
Foreign currency translations	383	67	450
Balance at December 31, 2020	$ 82,203	$ —	$ 82,203

Notes
(1) The amount represents goodwill which arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006.
(2) The amount represents goodwill which arose from the acquisition of Japan Ski Resort in 2009 as described in Note 25. As of December 31, 2020, the gross amount of goodwill and accumulated impairment losses were $13,864 and $13,864, respectively.

(b) Intangible Assets, Net

Intangible assets, net consisted of the following:

	December 31, 2020	December 31, 2019
Indefinite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,235	$ 4,215
Total indefinite-lived intangible assets	4,235	4,215
Finite-lived intangible assets:		
Internal-use software	51,882	30,353
Less: accumulated amortization	(9,110)	(2,940)
	42,772	27,413
Proprietary rights	12,013	—
Less: accumulated amortization	(187)	—
	11,826	—
Total finite-lived intangible assets	54,598	27,413
Total intangible assets, net	$ 58,833	$ 31,628

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

8. GOODWILL AND INTANGIBLE ASSETS, NET - continued

(b) Intangible Assets, Net - continued

Trademarks arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. The changes in carrying amounts of trademarks represented the exchange differences arising from foreign currency translations at the balance sheet date.

In November 2020, the Company completed an asset acquisition of the proprietary rights relating to an entertainment show in City of Dreams for a cash consideration of $12,000. The estimated useful life of the proprietary rights is 10 years. The carrying amount of the proprietary rights included the exchange differences arising from foreign currency translations at the balance sheet date.

The amortization expenses of finite-lived intangible assets (other than gaming subconcession) recognized for the years ended December 31, 2020, 2019 and 2018 were $6,342, $2,232 and $697, respectively.

As of December 31, 2020, the estimated future amortization expenses of finite-lived intangible assets (other than gaming subconcession) are as follows:

Year ending December 31, 2021	$10,825
2022	9,984
2023	6,904
2024	3,167
2025	3,166
Over 2025	20,552
	$54,598

9. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Long-term prepayments, deposits and other assets consisted of the following:

	December 31,	
	2020	2019
Entertainment production costs	$ 68,804	$ 76,795
Less: accumulated amortization	(68,804)	(72,230)
Entertainment production costs, net	—	4,565
Advance payments for construction costs	59,564	32,911
Other long-term assets and other	58,209	53,177
Long-term prepayments	49,648	408
Deferred financing costs, net	44,033	885
Deferred rent assets	34,311	37,835
Other deposits	13,984	16,709
Input value-added tax, net	13,172	12,469
Deposits for acquisition of property and equipment	11,687	13,642
Long-term casino accounts receivables, net of allowances for credit losses of $16,517 and $25,026	—	3,877
Long-term prepayments, deposits and other assets	$ 284,608	$ 176,478

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

9. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS - continued

Entertainment production costs represent amounts incurred and capitalized for entertainment shows in City of Dreams. The Company amortized the entertainment production costs over 10 years or the respective estimated useful lives of the entertainment shows, whichever is shorter.

Input value-added tax, net represents the value-added tax expected to be recoverable from the tax authority in the Philippines mainly connected with the purchase of assets or services for City of Dreams Manila. Certain input value-added tax incurred on purchase of assets of $8,648 was considered non-refundable and, therefore, recognized as property and equipment for the year ended December 31, 2019. During the years ended December 31, 2020, 2019 and 2018, provisions for input value-added tax expected to be non-recoverable amounting to $5,786, $3,733 and $4,095, respectively, were recognized in the accompanying consolidated statements of operations.

Long-term casino accounts receivables, net represent receivables from casino customers where settlements are not expected within the next year. Reclassifications to current accounts receivable, net, are made when settlement of such balances are expected to occur within one year.

10. LAND USE RIGHTS, NET

	December 31,	
	2020	2019
Altira Macau	$ 146,989	$ 146,306
City of Dreams	400,981	399,115
Studio City	655,858	652,807
	1,203,828	1,198,228
Less: accumulated amortization	(482,254)	(457,220)
Land use rights, net	$ 721,574	$ 741,008

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,	
	2020	2019
Advance customer deposits and ticket sales	$ 277,867	$ 255,884
Outstanding gaming chips and tokens	205,780	473,330
Staff cost accruals	99,612	169,622
Interest expenses payable	96,491	49,298
Gaming tax and license fee accruals	87,321	217,773
Operating expense and other accruals and liabilities	73,177	117,338
Construction cost payables	57,200	28,583
Property and equipment payables	48,769	69,097
Loyalty program liabilities	29,175	39,591
Dividends payable	8,473	—
	$ 983,865	$ 1,420,516

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12. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2020	December 31, 2019
Senior Notes		
2017 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of $16,583 and $19,827, respectively)	$ 983,417	$ 980,173
2019 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $4,529 and $5,948, respectively)	495,471	494,052
2019 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $5,686 and $7,298, respectively)	594,314	592,702
2019 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs of $7,991 and $8,992, respectively)	892,009	891,008
2020 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $4,519)	845,481	—
2019 7.250% Studio City Notes, due 2024 (net of unamortized deferred financing costs of $6,165 and $7,829, respectively)	593,835	592,171
2020 6.000% SC Notes, due 2025 (net of unamortized deferred financing costs of $4,566)	495,434	—
2020 6.500% SC Notes, due 2028 (net of unamortized deferred financing costs of $4,738)	495,262	—
2016 7.250% SC Secured Notes, due 2021 (net of unamortized deferred financing costs of $7,211)	—	842,789
Credit Facilities		
2015 Credit Facilities (net of unamortized deferred financing costs of nil and $42, respectively)[(1)]	129	1,108
2020 Credit Facilities [(2)]	249,910	—
2016 Studio City Credit Facilities[(3)]	129	128
	5,645,391	4,394,131
Current portion of long-term debt (net of unamortized deferred financing costs of $5)	—	(146)
	$ 5,645,391	$ 4,393,985

Notes

(1) As of December 31, 2020 and 2019, the unamortized deferred financing costs related to the 2015 Revolving Credit Facility of the 2015 Credit Facilities of nil and $3,097 are included in prepaid expenses and other current assets in the accompanying consolidated balance sheets, respectively.

(2) As of December 31, 2020, the unamortized deferred financing costs related to the revolving credit facility of the 2020 Credit Facilities of $43,593 are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheet.

(3) As of December 31, 2020 and 2019, the unamortized deferred financing costs related to the 2016 SC Revolving Credit Facility of the 2016 Studio City Credit Facilities of $440 and $885 are included in long-term prepayments, deposits and other assets, in the accompanying consolidated balance sheets, respectively.

12. LONG-TERM DEBT, NET - continued

(a) Senior Notes

2017 4.875% Senior Notes

On June 6, 2017, Melco Resorts Finance Limited ("Melco Resorts Finance"), a subsidiary of Melco, issued $650,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100% of the principal amount (the "First 2017 4.875% Senior Notes"); and on July 3, 2017, Melco Resorts Finance further issued $350,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100.75% of the principal amount (the "Second 2017 4.875% Senior Notes" and together with the First 2017 4.875% Senior Notes, collectively referred to as the "2017 4.875% Senior Notes"). The interest on the 2017 4.875% Senior Notes is accrued at a rate of 4.875% per annum and is payable semi-annually in arrears on June 6 and December 6 of each year. The 2017 4.875% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and all of the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the First 2017 4.875% Senior Notes were used to partly fund the redemption of the previous senior notes of Melco Resorts Finance and the net proceeds from the offering of the Second 2017 4.875% Senior Notes were used to repay the 2015 Revolving Credit Facility (as described below).

Melco Resorts Finance had the option to redeem all or a portion of the 2017 4.875% Senior Notes at any time prior to June 6, 2020, at a "make-whole" redemption price. On or after June 6, 2020, Melco Resorts Finance has the option to redeem all or a portion of the 2017 4.875% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance had the option to redeem up to 35% of the 2017 4.875% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to June 6, 2020. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2017 4.875% Senior Notes at fixed redemption prices. In certain events that relate to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2017 4.875% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2017 4.875% Senior Notes at a fixed redemption price.

The indenture governing the 2017 4.875% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2017 4.875% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.250% Senior Notes

On April 26, 2019, Melco Resorts Finance issued $500,000 in aggregate principal amount of 5.250% senior notes due April 26, 2026 at an issue price of 100% of the principal amount (the "2019 5.250% Senior Notes"). The interest on the 2019 5.250% Senior Notes is accrued at a rate of 5.250% per annum, payable semi-annually in arrears on April 26 and October 26 of each year, and commenced on October 26, 2019. The 2019 5.250% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively

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12. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 5.250% Senior Notes - continued

subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.250% Senior Notes were used to partially repay the 2015 Revolving Credit Facility in May 2019.

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.250% Senior Notes at any time prior to April 26, 2022, at a "make-whole" redemption price. On or after April 26, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.250% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.250% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to April 26, 2022. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.250% Senior Notes at fixed redemption prices. In certain events that relate to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.250% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.250% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.250% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.250% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.625% Senior Notes

On July 17, 2019, Melco Resorts Finance issued $600,000 in aggregate principal amount of 5.625% senior notes due July 17, 2027 at an issue price of 100% of the principal amount (the "2019 5.625% Senior Notes"). The interest on the 2019 5.625% Senior Notes is accrued at a rate of 5.625% per annum, payable semi-annually in arrears on January 17 and July 17 of each year, and commenced on January 17, 2020. The 2019 5.625% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.625% Senior Notes were used to partially repay the 2015 Revolving Credit Facility in July 2019.

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.625% Senior Notes at any time prior to July 17, 2022, at a "make-whole" redemption price. On or after July 17, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.625% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.625% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to July 17, 2022. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.625% Senior Notes at fixed redemption prices. In

12. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 5.625% Senior Notes - continued

certain events that relate to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.625% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.625% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.625% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.625% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.375% Senior Notes

On December 4, 2019, Melco Resorts Finance issued $900,000 in aggregate principal amount of 5.375% senior notes due December 4, 2029 at an issue price of 100% of the principal amount (the "2019 5.375% Senior Notes"). The interest on the 2019 5.375% Senior Notes is accrued at a rate of 5.375% per annum, payable semi-annually in arrears on June 4 and December 4 of each year, and commenced on June 4, 2020. The 2019 5.375% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.375% Senior Notes were used to repay the outstanding borrowing of the 2015 Revolving Credit Facility in full and to partially prepay the 2015 Term Loan Facility (as described below) in December 2019.

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.375% Senior Notes at any time prior to December 4, 2024 at a "make-whole" redemption price. On or after December 4, 2024, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.375% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.375% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to December 4, 2024. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.375% Senior Notes at fixed redemption prices. In certain events that relate to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.375% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.375% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.375% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.375% Senior Notes also contains conditions and events of default customary for such financings.

12. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2020 5.750% Senior Notes

On July 21, 2020, Melco Resorts Finance issued $500,000 in aggregate principal amount of 5.750% senior notes due July 21, 2028 at an issue price of 100% of the principal amount (the "First 2020 5.750% Senior Notes"); and on August 11, 2020, Melco Resorts Finance further issued $350,000 in aggregate principal amount of 5.750% senior notes due July 21, 2028 at an issue price of 101% of the principal amount (the "Second 2020 5.750% Senior Notes"). The Second 2020 5.750% Senior Notes are consolidated and form a single series with the First 2020 5.750% Senior Notes (the "2020 5.750% Senior Notes"). The interest on the 2020 5.750% Senior Notes is accrued at a rate of 5.750% per annum, payable semi-annually in arrears on January 21 and July 21 of each year, and commenced on January 21, 2021. The 2020 5.750% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2020 5.750% Senior Notes were partially used to repay the 2020 Credit Facilities (as described below) in July 2020 and with the remaining amount used for general corporate purposes.

Melco Resorts Finance has the option to redeem all or a portion of the 2020 5.750% Senior Notes at any time prior to July 21, 2023 at a "make-whole" redemption price. On or after July 21, 2023, Melco Resorts Finance has the option to redeem all or a portion of the 2020 5.750% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2020 5.750% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to July 21, 2023. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2020 5.750% Senior Notes at fixed redemption prices. In certain events that relate to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2020 5.750% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2020 5.750% Senior Notes at a fixed redemption price.

The indenture governing the 2020 5.750% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2020 5.750% Senior Notes also contains conditions and events of default customary for such financings.

2019 7.250% Studio City Notes

On February 11, 2019, Studio City Finance Limited ("Studio City Finance"), a majority-owned subsidiary of Melco, issued $600,000 in aggregate principal amount of 7.250% senior notes which would have been due on February 11, 2024 at an issue price of 100% of the principal amount (the "2019 7.250% Studio City Notes"). The interest on the 2019 7.250% Studio City Notes was accrued at a rate of 7.250% per annum, payable semi-annually in arrears on February 11 and August 11 of each year, and commenced on August 11, 2019. The 2019 7.250% Studio City Notes were general obligations of Studio City Finance, ranked equally in right of payment to all existing and future senior indebtedness of Studio City Finance, ranked senior in right of payment to any existing and future subordinated indebtedness of Studio City Finance and were

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12. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 7.250% Studio City Notes - continued

effectively subordinated to all of Studio City Finance's existing and future secured indebtedness to the extent of the value of the property and assets securing such indebtedness.

The net proceeds from the offering of the 2019 7.250% Studio City Notes were used to partially fund the conditional tender offer and the remaining outstanding balance with accrued interest of the previous senior notes of Studio City Finance in March 2019 and with the remaining amount used for general corporate purposes.

As of February 17, 2021, no amount of the 2019 7.250% Studio City Notes remained outstanding following the conditional tender offer in January 2021 as disclosed in Note 27(a) and the redemption of the remaining outstanding amount in February 2021 as disclosed in Note 27(b).

All of the existing subsidiaries of Studio City Finance and any other future restricted subsidiaries that provided guarantees of certain specified indebtedness (including the 2016 Studio City Credit Facilities as described below) (the "2019 7.250% Studio City Notes Guarantors") jointly, severally and unconditionally guaranteed the 2019 7.250% Studio City Notes on a senior basis (the "2019 7.250% Studio City Notes Guarantees"). The 2019 7.250% Studio City Notes Guarantees were general obligations of the 2019 7.250% Studio City Notes Guarantors, ranked equally in right of payment to all existing and future senior indebtedness of the 2019 7.250% Studio City Notes Guarantors and ranked senior in right of payment to any existing and future subordinated indebtedness of the 2019 7.250% Studio City Notes Guarantors. The 2019 7.250% Studio City Notes Guarantees were effectively subordinated to the 2019 7.250% Studio City Notes Guarantors' obligations under all existing and any future secured indebtedness to the extent of the value of such property and assets securing such indebtedness.

At any time prior to February 11, 2021, Studio City Finance had the options i) to redeem all or a portion of the 2019 7.250% Studio City Notes at a "make-whole" redemption price; and ii) to redeem up to 35% of the 2019 7.250% Studio City Notes with the net cash proceeds of certain equity offerings at a fixed redemption price. Thereafter, Studio City Finance had the option to redeem all or a portion of the 2019 7.250% Studio City Notes at any time at fixed redemption prices that declined ratably over time. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2019 7.250% Studio City Notes, Studio City Finance also had the option to redeem in whole, but not in part the 2019 7.250% Studio City Notes at fixed redemption prices. In certain events that related to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture governing the 2019 7.250% Studio City Notes, each holder of the 2019 7.250% Studio City Notes would have the right to require Studio City Finance to repurchase all or any part of such holder's 2019 7.250% Studio City Notes at a fixed redemption price.

The indenture governing the 2019 7.250% Studio City Notes contained certain covenants that, subject to certain exceptions and conditions, limited the ability of Studio City Finance and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with shareholders or affiliates; and (viii) effect a consolidation or merger. The indenture governing the 2019 7.250% Studio City Notes also contained conditions and events of default customary for such financings.

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12. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 7.250% Studio City Notes - continued

There were provisions under the indenture governing the 2019 7.250% Studio City Notes that limited or prohibited certain payments of dividends and other distributions by Studio City Finance and its restricted subsidiaries to companies or persons who were not Studio City Finance or restricted subsidiaries of Studio City Finance, subject to certain exceptions and conditions. As of December 31, 2020, the net assets of Studio City Finance and its restricted subsidiaries of approximately $1,288,000 were restricted from being distributed under the terms of the 2019 7.250% Studio City Notes.

2020 Studio City Notes

On July 15, 2020, Studio City Finance issued $500,000 in aggregate principal amount of 6.000% senior notes due July 15, 2025 at an issue price of 100% of the principal amount (the “2020 6.000% SC Notes”) and $500,000 in aggregate principal amount of 6.500% senior notes due January 15, 2028 at an issue price of 100% of the principal amount (the “2020 6.500% SC Notes” and together with 2020 6.000% SC Notes, the “2020 Studio City Notes”). The interest on the 2020 6.000% SC Notes and 2020 6.500% SC Notes is accrued at a rate of 6.000% and 6.500% per annum, respectively, payable semi-annually in arrears on January 15 and July 15 of each year, and commenced on January 15, 2021. The 2020 Studio City Notes are general obligations of Studio City Finance, rank equally in right of payment to all existing and future senior indebtedness of Studio City Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Studio City Finance and are effectively subordinated to all of Studio City Finance’s existing and future secured indebtedness to the extent of the value of the property and assets securing such indebtedness.

The net proceeds from the offering of the 2020 Studio City Notes were partially used to redeem in full the 2016 7.250% SC Secured Notes (as described below) with accrued interest and redemption premium in August 2020 and with the remaining amount used for the capital expenditures of the remaining development project for Studio City.

All of the existing subsidiaries of Studio City Finance and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (including the 2016 Studio City Credit Facilities) (the “2020 Studio City Notes Guarantors”) jointly, severally and unconditionally guarantee the 2020 Studio City Notes on a senior basis (the “2020 Studio City Notes Guarantees”). The 2020 Studio City Notes Guarantees are general obligations of the 2020 Studio City Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the 2020 Studio City Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2020 Studio City Notes Guarantors. The 2020 Studio City Notes Guarantees are effectively subordinated to the 2020 Studio City Notes Guarantors’ obligations under all existing and any future secured indebtedness to the extent of the value of such property and assets securing such indebtedness.

At any time prior to July 15, 2022, Studio City Finance has the options i) to redeem all or a portion of the 2020 6.000% SC Notes at a “make-whole” redemption price; and ii) to redeem up to 35% of the 2020 6.000% SC Notes with the net cash proceeds of certain equity offerings at a fixed redemption price. Thereafter, Studio City Finance has the option to redeem all or a portion of the 2020 6.000% SC Notes at any time at fixed redemption prices that decline ratably over time. At any time prior to July 15, 2023, Studio City Finance has the options i) to redeem all or a portion of the 2020 6.500% SC Notes at a “make-whole” redemption price; and ii) to redeem up to 35% of the 2020 6.500% SC Notes with the net cash proceeds of

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12. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2020 Studio City Notes - continued

certain equity offerings at a fixed redemption price. Thereafter, Studio City Finance has the option to redeem all or a portion of the 2020 6.500% SC Notes at any time at fixed redemption prices that decline ratably over time. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2020 Studio City Notes, Studio City Finance also has the option to redeem in whole, but not in part the 2020 Studio City Notes at fixed redemption prices. In certain events that relate to the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture governing the 2020 Studio City Notes, each holder of the 2020 Studio City Notes will have the right to require Studio City Finance to repurchase all or any part of such holder's 2020 Studio City Notes at a fixed redemption price.

The indenture governing the 2020 Studio City Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Finance and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with shareholders or affiliates; and (viii) effect a consolidation or merger. The indenture governing the 2020 Studio City Notes also contains conditions and events of default customary for such financings.

There are provisions under the indenture governing the 2020 Studio City Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Finance and its restricted subsidiaries to companies or persons who are not Studio City Finance or restricted subsidiaries of Studio City Finance, subject to certain exceptions and conditions. As of December 31, 2020, the net assets of Studio City Finance and its restricted subsidiaries of approximately $1,288,000 were restricted from being distributed under the terms of the 2020 Studio City Notes.

2016 7.250% SC Secured Notes

On November 30, 2016, Studio City Company Limited ("Studio City Company"), a majority-owned subsidiary of Melco, issued $850,000 in aggregate principal amount of 7.250% senior secured notes due November 30, 2021 at an issue price of 100% of the principal amount (the "2016 7.250% SC Secured Notes"). The net proceeds from the offering of the 2016 7.250% SC Secured Notes were used to partially repay the Studio City Borrower's prior senior secured credit facilities (as described below).

The interest on the 2016 7.250% SC Secured Notes was accrued at a rate of 7.250% per annum and was payable semi-annually in arrears. On August 14, 2020, Studio City Company used a portion of the net proceeds from the offering of the 2020 Studio City Notes to redeem in full the 2016 7.250% SC Secured Notes, together with accrued interest and redemption premium. In connection with the redemption of the 2016 7.250% SC Secured Notes, the Company recorded a loss on extinguishment of debt of $18,716 during the year ended December 31, 2020.

(b) Credit Facilities

2015 Credit Facilities

On June 29, 2015, Melco Resorts Macau (the "Borrower") amended and restated the Borrower's prior senior secured credit facilities agreement from 9,362,160,000 Hong Kong dollars ("HK$") (equivalent to $1,203,362)

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12. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2015 Credit Facilities - continued

to a HK$13,650,000,000 (equivalent to $1,750,000) senior secured credit facilities agreement (the "2015 Credit Facilities"), comprising a HK$3,900,000,000 (equivalent to $500,000) term loan facility (the "2015 Term Loan Facility") and a HK$9,750,000,000 (equivalent to $1,250,000) multicurrency revolving credit facility (the "2015 Revolving Credit Facility").

In December 2019, the Company partially prepaid an outstanding principal amount of HK$2,750,000,000 (equivalent to $353,062) of the 2015 Term Loan Facility, together with accrued interest and associated costs, with a portion of the net proceeds from the offering of the 2019 5.375% Senior Notes. In connection with this prepayment, the Company recorded a loss on extinguishment of debt of $2,612 during the year ended December 31, 2019.

Before the signing and effective of the Waiver Letter (as described below), the maturity date of the 2015 Credit Facilities was: (i) June 29, 2021 in respect of the 2015 Term Loan Facility; and (ii) June 29, 2020 in respect of the 2015 Revolving Credit Facility, or if earlier, the date of repayment, prepayment or cancellation in full of the 2015 Credit Facilities. The 2015 Term Loan Facility was repayable in quarterly instalments according to an amortisation schedule. Each loan made under the 2015 Revolving Credit Facility is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. Borrowings under the 2015 Credit Facilities bore interest at Hong Kong Interbank Offered Rate ("HIBOR") plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the 2015 Borrowing Group. The Borrower might select an interest period for borrowings under the 2015 Credit Facilities ranging from one to six months or any other agreed period.

On May 6, 2020, MCO Nominee One Limited ("MCO Nominee One"), a subsidiary of Melco, drew down HK$2,730,000,000 (equivalent to $352,189) of the revolving credit facility under the 2020 Credit Facilities (as described below) and, on May 7, 2020, the Company used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, other than HK$1,000,000 (equivalent to $129) which remained outstanding under the 2015 Term Loan Facility. Following the repayment of outstanding amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, on May 7, 2020, all other commitments under the 2015 Term Loan Facility and a part of the commitments under the 2015 Revolving Credit Facility were cancelled. Post-cancellation, the available commitments under the 2015 Revolving Credit Facility were HK$1,000,000 (equivalent to $129), collateralized by cash of HK$2,130,000 (equivalent to $275). The Company recorded a loss on extinguishment of debt of $1,236 and a cost associated with debt modification of $310 during the year ended December 31, 2020 in connection with this repayment and a part of the 2015 Revolving Credit Facility commitment cancellation.

Compliance with certain provisions of the 2015 Credit Facilities were waived pursuant to a waiver letter from Bank of China Limited, Macau Branch (in its capacity as the sole lender under the 2015 Credit Facilities) ("BOC Macau") to the Borrower dated April 29, 2020 (the "Waiver Letter"). The Waiver Letter became effective on May 7, 2020. Pursuant to the terms of the Waiver Letter, BOC Macau agreed, among other things, to relax the Borrower's obligations under the 2015 Credit Facilities by way of a waiver of (i) to extend the maturity date of the 2015 Credit Facilities to June 24, 2022; (ii) the repayment term of the 2015

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2015 Credit Facilities - continued

Term Loan Facility; (iii) interest rate of the borrowings change to HIBOR plus a margin of 1% per annum; (iv) the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions, (v) the requirement to make substantially all of the representations, and (vi) certain current and/or future defaults and events of default that may arise under the terms of the 2015 Credit Facilities, subject to certain conditions and terms.

As of December 31, 2020, the outstanding principal amount of the 2015 Term Loan Facility and the 2015 Revolving Credit Facility was HK$1,000,000 (equivalent to $129) and nil, respectively, and the available borrowing capacity under 2015 Revolving Credit Facility was HK$1,000,000 (equivalent to $129).

The indebtedness under the 2015 Credit Facilities is guaranteed by the borrowing group which includes the Borrower and certain of its subsidiaries as defined under the 2015 Credit Facilities (the “2015 Borrowing Group”). Security for the 2015 Credit Facilities includes: a first-priority interest in substantially all assets of the 2015 Borrowing Group, the issued share capital and equity interests and certain buildings, fixtures and equipment of the 2015 Borrowing Group and certain other excluded assets and customary security.

With effect from May 7, 2020, the provisions that limited certain payments of dividends and other distributions by the 2015 Borrowing Group to companies or persons who were not members of the 2015 Borrowing Group was waived pursuant to the terms of the Waiver Letter.

The Borrower is obligated to pay a commitment fee on the undrawn amount of the 2015 Revolving Credit Facility and recognized loan commitment fees of $1,512, $2,322 and $3,870 during the years ended December 2020, 2019 and 2018, respectively.

2020 Credit Facilities

On April 29, 2020, MCO Nominee One entered into a senior credit facilities agreement with a syndicate of banks (the “2020 Credit Facilities”) for a HK$14,850,000,000 (equivalent to $1,915,947) revolving credit facility with a term of five years. The maturity date of the 2020 Credit Facilities is April 29, 2025. Each loan made under the 2020 Credit Facilities is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. MCO Nominee One is also subject to mandatory prepayment requirements in respect of various amounts as specified in the 2020 Credit Facilities. In the event of a change of control or if Melco Resorts Macau’s subconcession contract or land concessions are terminated or otherwise expire on its terms, MCO Nominee One may be required, at the election of any lender under the 2020 Credit Facilities, to repay such lender in full.

The indebtedness under the 2020 Credit Facilities is guaranteed by Melco Resorts Macau and MCO Investments Limited (“MCO Investments”), a subsidiary of Melco. The 2020 Credit Facilities are unsecured.

The 2020 Credit Facilities contain certain covenants customary for such financings including, but not limited to, limitations on, except as permitted (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) the disposal of certain key assets; and (iv) carrying on businesses which are not the permitted business activities of MCO Investments and its subsidiaries. The 2020 Credit Facilities also contain conditions and events of default customary for such financings and the financial covenants including a leverage ratio, total leverage ratio and interest cover ratio.

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12. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2020 Credit Facilities - continued

Borrowings under the 2020 Credit Facilities bear interest at HIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. MCO Nominee One may select an interest period for borrowings under the 2020 Credit Facilities ranging from one to six months or any other agreed period. MCO Nominee One is obligated to pay a commitment fee quarterly in arrears from April 29, 2020 on the undrawn amount of the 2020 Credit Facilities and recognized loan commitment fees of $6,022 during the year ended December 31, 2020.

On November 26, 2020, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities have consented and agreed to waive certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities, in each case in respect of the relevant periods ended or ending on the following applicable test dates: (a) December 31, 2020; (b) March 31, 2021; (c) June 30, 2021; (d) September 30, 2021; and (e) December 31, 2021. Such consent became effective on December 2, 2020.

As of December 31, 2020, the outstanding principal amount of the 2020 Credit Facilities was HK$1,937,500,000 (equivalent to $249,910), and the available borrowing capacity under the 2020 Credit Facilities was HK$12,912,500,000 (equivalent to $1,665,532).

On January 27, 2021, the Company repaid the outstanding principal amount of the 2020 Credit Facilities of HK$1,937,500,000 (equivalent to $249,887) in full with the net proceed from the issuance of the Additional 2019 5.375% Senior Notes as disclosed in Note 27(c).

2016 Studio City Credit Facilities

On November 30, 2016, Studio City Company (the “Studio City Borrower”), a majority-owned subsidiary of Melco, amended and restated the Studio City Borrower’s prior senior secured credit facilities agreement from HK$10,855,880,000 (equivalent to $1,395,357) to a HK$234,000,000 (equivalent to $30,077) senior secured credit facilities agreement (the “2016 Studio City Credit Facilities”), comprising a HK$1,000,000 (equivalent to $129) term loan facility (the “2016 SC Term Loan Facility”) and a HK$233,000,000 (equivalent to $29,948) revolving credit facility (the “2016 SC Revolving Credit Facility”). As of December 31, 2020, the outstanding principal amount of the 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility were HK$1,000,000 (equivalent to $129) and nil, respectively, and the available borrowing capacity under the 2016 SC Revolving Credit Facility was HK$233,000,000 (equivalent to $30,054).

The 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility which would have matured on November 30, 2021 were extended to January 15, 2028 as disclosed in Note 27(d). The 2016 SC Term Loan Facility has to be repaid at maturity with no interim amortization payments. The 2016 SC Revolving Credit Facility is available up to the date that is one month prior to the 2016 SC Revolving Credit Facility’s maturity date. The 2016 SC Term Loan Facility is collateralized by cash of HK$1,012,500 (equivalent to $131). The Studio City Borrower is subject to mandatory prepayment requirements in respect of various amounts of the 2016 SC Revolving Credit Facility as specified in the 2016 Studio City Credit Facilities; in the event of the disposal of all or substantially all of the business and assets of the Studio City borrowing group which includes the Studio City Borrower and certain of its subsidiaries as defined under the 2016 Studio City Credit Facilities (the “2016 Studio City Borrowing Group”), the 2016 Studio City Credit

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2016 Studio City Credit Facilities - continued

Facilities are required to be repaid in full. In the event of a change of control, the Studio City Borrower may be required, at the election of any lender under the 2016 Studio City Credit Facilities, to repay such lender in full (other than the principal amount of the 2016 SC Term Loan Facility).

The indebtedness under the 2016 Studio City Credit Facilities is guaranteed by Studio City Investments Limited ("Studio City Investments"), a majority-owned subsidiary of Melco, and its subsidiaries (other than the Studio City Borrower). Security for the 2016 Studio City Credit Facilities includes a first-priority mortgage over any rights under the land concession contract of Studio City and an assignment of certain leases or rights to use agreements; as well as other customary security. The 2016 Studio City Credit Facilities contain certain affirmative and negative covenants customary for such financings. Certain specified bank accounts of Melco Resorts Macau are pledged under 2016 Studio City Credit Facilities and related finance documents. The 2016 Studio City Credit Facilities are secured, by substantially all of the material assets of Studio City Investments and its subsidiaries.

The 2016 Studio City Credit Facilities contain certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Company, Studio City Investments and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with shareholders or affiliates; and (xi) effect a consolidation or merger. The 2016 Studio City Credit Facilities also contain conditions and events of default customary for such financings.

There are provisions that limit certain payments of dividends and other distributions by the 2016 Studio City Borrowing Group to companies or persons who are not members of the 2016 Studio City Borrowing Group. As of December 31, 2020, the net assets of Studio City Investments and its restricted subsidiaries of approximately $1,192,000 were restricted from being distributed under the terms of the 2016 Studio City Credit Facilities.

Borrowings under the 2016 Studio City Credit Facilities bear interest at HIBOR plus a margin of 4% per annum. The Studio City Borrower may select an interest period for borrowings under the 2016 Studio City Credit Facilities ranging from one to six months or any other agreed period. The Studio City Borrower is obligated to pay a commitment fee on the undrawn amount of the 2016 SC Revolving Credit Facility and recognized loan commitment fees of $421, $416 and $419 during the years ended December 31, 2020, 2019 and 2018, respectively.

Philippine Credit Facility

On October 14, 2015, Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), a majority-owned subsidiary of Melco, entered into an on-demand, unsecured credit facility agreement of 2,350,000,000 Philippine Pesos ("PHP") (equivalent to $49,824), as amended from time to time (the "Philippine Credit Facility") with a lender to finance advances to Melco Resorts Leisure (PHP) Corporation ("Melco Resorts Leisure"), a majority-owned subsidiary of Melco. As of December 31, 2020, the Philippine Credit Facility availability period, as amended from time to time, is up to January 31, 2021 and was further extended to May 1, 2021, in January 2021, and the maturity date of each individual drawdown, as amended

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12. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

Philippine Credit Facility - continued

from time to time, to be the earlier of: (i) the date which is 180 days from the date of drawdown, and (ii) the date which is 180 days after the end of the availability period. The individual drawdowns under the Philippine Credit Facility are subject to certain conditions precedent, including issuance of a promissory note in favor of the lender evidencing such drawdown. As of December 31, 2020, borrowings under the Philippine Credit Facility bear interest, as amended from time to time, at the higher of: (i) the PHP BVAL Reference Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, and (ii) Philippines Term Deposit Facility Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, such rate to be set one business day prior to the relevant interest period. The Philippine Credit Facility includes a tax gross-up provision requiring MRP to pay without any deduction or withholding for or on account of tax.

As of December 31, 2020, the Philippine Credit Facility had not yet been drawn and the available borrowing capacity under the Philippine Credit Facility was PHP2,350,000,000 (equivalent to $48,922).

(c) Borrowing Rates and Scheduled Maturities of Long-term Debt

During the years ended December 31, 2020, 2019 and 2018, the Company's average borrowing rates were approximately 5.71%, 5.45% and 5.97% per annum, respectively.

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs and original issue premiums) as of December 31, 2020 are as follows:

Year ending December 31,	
2021	$ —
2022	129
2023	—
2024	600,000
2025	1,749,910
Over 2025	3,350,129
	$ 5,700,168

13. LEASES

Lessee Arrangements

The Company is the lessee under operating and finance leases for equipment and real estate, including the land and certain of the building structure for City of Dreams Manila under the MRP Lease Agreement as described in Note 21, Cyprus casino sites, Mocha Clubs sites, office space, warehouses, staff quarters, and certain parcels of land in Macau on which Altira Macau, City of Dreams and Studio City are located. Certain lease agreements provide for periodic rental increases based on both contractual agreed incremental rates and on the general inflation rate once agreed by the Company and its lessors and in some cases contingent rental expenses stated as a percentage of turnover. Certain leases include options to extend the lease term and options to terminate the lease term. The land concession contracts in Macau have a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The estimated term related to the land concession contracts in Macau is 40 years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

13. LEASES - continued

Lessee Arrangements - continued

The components of lease costs are as follows:

	Year Ended December 31,	
	2020	2019
Operating lease costs:		
Amortization of land use rights	$ 22,886	$ 22,659
Operating lease costs	31,039	39,681
Short-term lease costs	842	1,569
Variable lease costs	(5,565)	9,595
Finance lease costs:		
Amortization of right-of-use assets	12,836	12,326
Interest cost	41,550	39,696
Total lease costs	$ 103,588	$ 125,526

During the year ended December 2018, the Company incurred rental and right to use expenses amounting to $45,816, which consisted of minimum rental and right to use expenses of $29,896 and contingent rental and right to use expenses of $15,920.

Other information related to lease term and discount rate is as follows:

	December 31,	
	2020	2019
Weighted average remaining lease term		
Operating leases	19.8 years	18.3 years
Finance leases	12.5 years	13.5 years
Weighted average discount rate		
Operating leases	5.76%	5.82%
Finance leases	13.49%	13.49%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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13. LEASES - continued

Lessee Arrangements - continued

Maturities of lease liabilities as of December 31, 2020 are as follows:

	Operating Leases	Finance Leases
Year ending December 31,		
2021	$ 27,729	$ 83,447
2022	14,999	50,931
2023	9,669	52,119
2024	6,961	53,523
2025	6,454	53,442
Over 2025	95,222	405,285
Total future minimum lease payments	161,034	698,747
Less: amount representing interest	(58,101)	(348,520)
Present value of future minimum lease payments	102,933	350,227
Current portion	(27,066)	(80,004)
Non-current portion	$ 75,867	$ 270,223

Lessor Arrangements

The Company is the lessor under non-cancellable operating leases mainly for mall spaces in the sites of City of Dreams, City of Dreams Manila and Studio City with various retailers that expire at various dates through May 2035. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover.

During the year ended December 31, 2020, the Company earned minimum operating lease income of $37,257 and contingent operating lease income of $(1,955). The lease income was reduced by $18,356 as a result of the rent concessions and uncollectable lease income related to the effects of the COVID-19 pandemic. During the years ended December 31, 2019 and 2018, the Company earned minimum operating lease income of $36,938 and $43,270, respectively and contingent operating lease income of $14,295 and $12,654, respectively.

Future minimum fees, excluding the contingent fees to be received under non-cancellable operating leases as of December 31, 2020 were as follows:

Year ending December 31,	
2021	$ 50,349
2022	47,953
2023	44,032
2024	44,772
2025	46,245
Over 2025	24,626
	$257,977

14. FAIR VALUE MEASUREMENTS

Authoritative literature provides a fair value hierarchy, which prioritizes the input to valuation techniques used to measure fair values into three broad levels. The level in the hierarchy within which the fair value measurements in its entirety is based upon the lowest level of input that is significant to the fair value measurement as follows:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

The carrying values of cash and cash equivalents and restricted cash approximated fair value and were classified as level 1 in the fair value hierarchy. The carrying values of long-term deposits, long-term receivables and other long-term liabilities approximated fair value and were classified as level 2 in the fair value hierarchy.

The estimated fair value of long-term debt as of December 31, 2020 and 2019, were approximately $5,982,252 and $4,607,202, respectively, as compared to its carrying value, excluding unamortized deferred financing costs and original issue premiums, of $5,700,168 and $4,451,278, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2017 4.875% Senior Notes, the 2019 5.250% Senior Notes, the 2019 5.625% Senior Notes, the 2019 5.375% Senior Notes, the 2020 5.750% Senior Notes, the 2019 7.250% Studio City Notes, the 2020 Studio City Notes and the 2016 7.250% SC Secured Notes. Fair values for the 2015 Credit Facilities, the 2020 Credit Facilities and the 2016 Studio City Credit Facilities approximated the carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of December 31, 2020 and 2019, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying consolidated financial statements.

The Company's financial assets and liabilities recorded at fair value have been categorized based upon fair values in accordance with the applicable accounting standards. As of December 31, 2019, investment securities were carried at fair value. Fair values of investment securities were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy.

15. CAPITAL STRUCTURE

Treasury Shares

Melco's treasury shares represent new shares issued by Melco and the shares repurchased by Melco under the respective share repurchase programs. The treasury shares are mainly held by the depositary bank to facilitate the administration and operations of Melco's share incentive plans, and are to be delivered to the directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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15. CAPITAL STRUCTURE - continued

Treasury Shares - continued

During the years ended December 31, 2020, 2019 and 2018, Melco issued nil, nil and 4,570,191 ordinary shares to its depositary bank for future vesting of restricted shares and exercise of share options, respectively. Melco issued 2,694,507, 1,398,840 and 2,115,809 of these ordinary shares upon vesting of restricted shares; and 389,181, 666,255 and 4,803,288 of these ordinary shares upon exercise of share options during the years ended December 31, 2020, 2019 and 2018, respectively.

On March 21, 2018, the Board of Directors of Melco authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period which commenced on March 21, 2018 under a share repurchase program. On November 8, 2018, the Board of Directors of Melco further authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period commenced on November 8, 2018 under an additional share repurchase program (this share repurchase program together with the share repurchase program authorized on March 21, 2018, the "2018 Share Repurchase Programs"). Purchases under the 2018 Share Repurchase Programs may be made from time to time on the open market at prevailing market prices, including pursuant to a trading plan in accordance with Rule 10b-18 of the U.S. Securities Exchange Act, and/or in privately-negotiated transactions. The timing and the amount of ordinary shares and/or ADSs purchased were determined by Melco's management based on its evaluation of market conditions, trading prices, applicable securities laws and other factors. The 2018 Share Repurchase Programs may be suspended, modified or terminated by Melco at any time prior to its expiration.

During the year ended December 31, 2020, 3,148,824 ADSs, equivalent to 9,446,472 ordinary shares were repurchased under the 2018 Share Repurchase Programs, of which nil ordinary shares repurchased were retired. During the year ended December 31, 2019, no ordinary share was repurchased under the 2018 Share Repurchase Programs, while 81,952,230 ordinary shares repurchased under the 2018 Share Repurchase Programs were retired. During the year ended December 31, 2018, 32,190,355 ADSs, equivalent to 96,571,065 ordinary shares were repurchased under the 2018 Share Repurchase Programs, of which nil ordinary shares repurchased were retired.

As of December 31, 2020 and 2019, Melco had 1,456,547,942 and 1,456,547,942 issued ordinary shares, and 25,582,630 and 19,219,846 treasury shares, with 1,430,965,312 and 1,437,328,096 ordinary shares outstanding, respectively.

16. INCOME TAXES

(Loss) income before income tax consisted of:

	Year Ended December 31,		
	2020	2019	2018
Macau operations	$ (772,988)	$ 665,591	$ 522,390
Hong Kong operations	(342,715)	(72,676)	(48,385)
Philippine operations	(102,990)	61,768	83,758
Cyprus operations	(11,190)	16,432	(14,268)
Other jurisdictions operations	(227,644)	(268,548)	(204,361)
(Loss) income before income tax	$ (1,457,527)	$ 402,567	$ 339,134

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

The income tax (credit) expense consisted of:

	Year Ended December 31,		
	2020	2019	2018
Income tax expense - current:			
Macau Complementary Tax	$ 6,402	$ 1,130	$ 676
Lump sum in lieu of Macau Complementary Tax on dividends	2,367	2,345	2,341
Hong Kong Profits Tax	38	64	46
Philippine Corporate Income Tax	59	5	2
Cyprus Corporate Income Tax	—	1,699	—
Income tax in other jurisdictions	2,182	1,867	406
Sub-total	11,048	7,110	3,471
(Over) under provision of income taxes in prior years:			
Macau Complementary Tax	(544)	38	793
Hong Kong Profits Tax	(2)	(3)	(2,303)
Philippine Corporate Income Tax	(5)	(1)	(6)
Cyprus Corporate Income Tax	58	—	—
Income tax in other jurisdictions	482	326	45
Sub-total	(11)	360	(1,471)
Income tax (credit) expense - deferred:			
Macau Complementary Tax	(9,762)	(900)	(629)
Hong Kong Profits Tax	(26)	(341)	(2,554)
Philippine Corporate Income Tax	(3,774)	2,283	1,164
Cyprus Corporate Income Tax	(64)	(606)	683
Income tax in other jurisdictions	(324)	433	(426)
Sub-total	(13,950)	869	(1,762)
Total income tax (credit) expense	$ (2,913)	$ 8,339	$ 238

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

A reconciliation of the income tax (credit) expense from (loss) income before income tax per the accompanying consolidated statements of operations is as follows:

	Year Ended December 31,		
	2020	2019	2018
(Loss) income before income tax	$(1,457,527)	$ 402,567	$ 339,134
Macau Complementary Tax rate	12%	12%	12%
Income tax (credit) expense at Macau Complementary Tax rate	(174,903)	48,308	40,696
Lump sum in lieu of Macau Complementary Tax on dividends	2,367	2,345	2,341
Effect of different tax rates of subsidiaries operating in other jurisdictions	(36,938)	2,178	7,067
(Over) under provision in prior years	(11)	360	(1,471)
Effect of income for which no income tax expense is payable	(8,171)	(9,763)	(3,035)
Effect of expenses for which no income tax benefit is receivable	107,037	54,856	38,468
Effect of profits generated by gaming operations exempted	—	(165,947)	(157,367)
Effect of tax losses that cannot be carried forward	32,605	—	—
Changes in valuation allowances	32,166	30,473	12,838
Expired tax losses	42,935	45,529	60,701
Income tax (credit) expense	$ (2,913)	$ 8,339	$ 238

Melco and certain of its subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands, where they are incorporated, while Melco is subject to Hong Kong Profits Tax on profits from its activities conducted in Hong Kong. Certain subsidiaries incorporated or conducting businesses in Macau, Hong Kong, the Philippines, Cyprus and other jurisdictions are subject to Macau Complementary Tax, Hong Kong Profits Tax, Philippine Corporate Income Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions, respectively, during the years ended December 31, 2020, 2019 and 2018.

Macau Complementary Tax, Hong Kong Profits Tax, Philippine Corporate Income Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions have been provided at 12%, 16.5%, 30%, 12.5% and the respective tax rates in other jurisdictions, on the estimated taxable income earned in or derived from the respective jurisdictions, during the years ended December 31, 2020, 2019 and 2018, if applicable.

Pursuant to the approval notice issued by the Macau government in September 2016, Melco Resorts Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming operations for an additional five years from 2017 to 2021. One of Melco's subsidiaries in Macau has also been exempted from Macau Complementary Tax on profits generated from income received from Melco Resorts Macau for an additional five years from 2017 to 2021, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax pursuant to a notice issued by the Macau government in January 2017. The exemption coincides with Melco Resorts Macau's exemption from Macau Complementary Tax. The non-gaming profits and dividend distributions of such subsidiary to its shareholders continue to be subject to Macau Complementary Tax. Melco Resorts Macau's non-gaming profits also remain subject to Macau Complementary Tax and Melco Resorts Macau casino revenues remain subject to the Macau special gaming tax and other levies in accordance with its gaming subconcession agreement.

16. INCOME TAXES - continued

Based on the Supreme Court of the Philippines decision in the case of Bloomberry Resorts and Hotels, Inc. vs. the Bureau of Internal Revenue, G. R. No. 212530 dated November 28, 2016, management believes that the gaming operations of Melco Resorts Leisure, the operator of City of Dreams Manila, are exempt from Philippine Corporate Income Tax, among other taxes, provided the license fees which are inclusive of the 5% franchise tax under the PAGCOR Charter, are paid.

During the year ended December 31, 2020, Melco Resorts Macau, Melco Resorts Leisure and Melco's subsidiary in Macau did not have any profits generated by gaming operations exempted from Macau Complementary Tax and Philippine Corporate Income Tax. During the years ended December 31, 2019 and 2018, had Melco Resorts Macau, Melco Resorts Leisure and Melco's subsidiary in Macau not received the income tax exemption on profits generated by gaming operations in Macau and the Philippines, the Company's consolidated net income attributable to Melco Resorts & Entertainment Limited for the years ended December 31, 2019 and 2018 would have been reduced by $145,617 and $129,241, and diluted earnings per share would have been reduced by $0.101 and $0.085 per share, respectively.

In August 2017, Melco Resorts Macau received an extension of the agreement with the Macau government for an additional five years applicable to tax years 2017 through 2021, in which the extension agreement provides for an annual payment of 18,900,000 Macau Patacas ("MOP") (equivalent to $2,367) as payments in lieu of Macau Complementary Tax otherwise due by the shareholders of Melco Resorts Macau on dividend distributions from gaming profits. Such annual payment is required regardless of whether dividends are actually distributed or whether Melco Resorts Macau has distributable profits in the relevant year.

The effective tax rates for the years ended December 31, 2020, 2019 and 2018 were 0.20%, 2.07% and 0.07%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of expired tax losses, the effect of changes in valuation allowances, the effect of expenses for which no income tax benefit is receivable, the effect of income for which no income tax expense is payable and the effect of different tax rates of subsidiaries operating in other jurisdictions for the relevant years together with the effect of tax losses that cannot be carried forward for the year ended December 31, 2020 and the effect of profits generated by gaming operations being exempted from Macau Complementary Tax and Philippine Corporate Income Tax for years ended December 31, 2019 and 2018.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

The net deferred tax liabilities as of December 31, 2020 and 2019 consisted of the following:

	December 31,	
	2020	2019
Deferred tax assets		
Net operating losses carried forward	$ 220,287	$ 167,293
Depreciation and amortization	64,588	49,985
Lease liabilities	48,184	104,404
Others	4,974	9,373
Sub-total	338,033	331,055
Valuation allowances	(284,656)	(257,965)
Total deferred tax assets	53,377	73,090
Deferred tax liabilities		
Right-of-use assets	(28,942)	(63,011)
Land use rights	(47,690)	(46,430)
Intangible assets	(508)	(506)
Unrealized capital allowances	(7,553)	(7,242)
Others	(8,260)	(9,020)
Total deferred tax liabilities	(92,953)	(126,209)
Deferred tax liabilities, net	$ (39,576)	$ (53,119)

As of December 31, 2020 and 2019, valuation allowances of $284,656 and $257,965 were provided, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. As of December 31, 2020, adjusted operating tax losses carried forward of $96,171 have no expiry date and the remaining tax losses amounting to $1,277,376 will expire by 2021 through 2030. Adjusted operating tax losses carried forward of $227,117 expired during the year ended December 31, 2020.

Deferred tax, where applicable, is provided under the asset and liability method at the enacted statutory income tax rate of the respective tax jurisdictions, applicable to the respective financial years, on the difference between the consolidated financial statements carrying amounts and income tax base of assets and liabilities.

Aggregate undistributed earnings of certain Melco's foreign subsidiaries available for distribution to Melco of approximately $893,024 and $1,024,419 as at December 31, 2020 and 2019, respectively, are considered to be indefinitely reinvested. Accordingly, no provision has been made for the dividend withholding taxes that would be payable upon the distribution of those amounts to Melco. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, Melco would have to record a deferred income tax liability in respect of those undistributed earnings of approximately $107,162 and $124,169 as at December 31, 2020 and 2019, respectively.

(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is presented as follows:

	Year Ended December 31,		
	2020	2019	2018
At beginning of year	$ 7,504	$4,929	$2,582
Additions based on tax positions related to current year	8,057	2,575	2,347
Reductions due to expiry of the statute of limitations	(429)	—	—
At end of year	$15,132	$7,504	$4,929

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $15,132 and $7,504 as of December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, there were no interest and penalties related to uncertain tax positions recognized in the accompanying consolidated financial statements. The Company does not anticipate any significant increases or decreases in unrecognized tax benefits within the next twelve months.

Melco and its subsidiaries' major tax jurisdictions are Hong Kong, Macau, the Philippines and Cyprus. Income tax returns of Melco and its subsidiaries remain open and subject to examination by the local tax authorities of Macau, Hong Kong, the Philippines and Cyprus until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Macau, Hong Kong, the Philippines and Cyprus are five years, six years, three years and six years, respectively.

17. SHARE-BASED COMPENSATION

2006 Share Incentive Plan

Melco adopted a share incentive plan in 2006 ("2006 Share Incentive Plan"), as amended, for grants of share options and nonvested shares of Melco's ordinary shares to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award was 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2006 Share Incentive Plan was 100,000,000 over 10 years. On December 7, 2011, the Company adopted a new share incentive plan ("2011 Share Incentive Plan") as described below and no further awards may be granted under the 2006 Share Incentive Plan on or after such date as all subsequent awards will be issued under the 2011 Share Incentive Plan.

(In thousands of U.S. dollars, except share and per share data)

17. SHARE-BASED COMPENSATION - continued

2006 Share Incentive Plan - continued

Share Options

A summary of the share options activity under the 2006 Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2020	2,151,432	$ 1.72		
Exercised	(267,141)	1.49		
Outstanding as of December 31, 2020	1,884,291	$ 1.75	0.22	$ 8,347
Fully vested and exercisable as of December 31, 2020	1,884,291	$ 1.75	0.22	$ 8,347

The following information is provided for share options under the 2006 Share Incentive Plan:

	Year Ended December 31,		
	2020	2019	2018
Proceeds from the exercise of share options	$ 397	$ 44	$ 1,195
Intrinsic value of share options exercised	$ 747	$ 920	$ 37,239

As of December 31, 2020, there were no unrecognized compensation costs related to share options under the 2006 Share Incentive Plan.

2011 Share Incentive Plan

Melco adopted the 2011 Share Incentive Plan, effective on December 7, 2011, which has been subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase Melco's ordinary shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award is 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2011 Share Incentive Plan is 100,000,000 over 10 years, which could be raised up to 10% of the issued share capital upon shareholders' approval. As of December 31, 2020, there were 37,823,024 ordinary shares available for grants of various share-based awards under the 2011 Share Incentive Plan.

Share Options

During the years ended December 31, 2020, 2019 and 2018, the exercise prices for share options granted under the 2011 Share Incentive Plan were determined at the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of two to three years. The share options granted expire 10 years from the date of grant.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Share Options - continued

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco's ADS trading on the Nasdaq Global Select Market. Expected term is based upon the vesting term or the historical expected term of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected term.

The fair values of share options granted under the 2011 Share Incentive Plan were estimated on the dates of grant using the following weighted average assumptions as follows:

	Year Ended December 31,		
	2020	2019	2018
Expected dividend yield	3.10%	2.75%	2.04%
Expected stock price volatility	43.50%	41.81%	40.17%
Risk-free interest rate	0.43%	2.34%	2.62%
Expected term (years)	5.6	5.6	5.56

A summary of the share options activity under the 2011 Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2020	19,776,978	$ 7.01		
Granted	12,159,207	4.13		
Exercised	(122,040)	5.44		
Forfeited or expired	(2,967,918)	5.82		
Outstanding as of December 31, 2020	28,846,227	$ 5.93	7.25	$ 28,312
Fully vested and expected to vest as of December 31, 2020	28,846,227	$ 5.93	7.25	$ 28,312
Exercisable as of December 31, 2020	13,002,909	$ 6.21	5.38	$ 6,999

The following information is provided for share options under the 2011 Share Incentive Plan:

	Year Ended December 31,		
	2020	2019	2018
Weighted average grant date fair value	$ 1.21	$ 2.59	$ 3.09
Proceeds from the exercise of share options	$ 664	$ 2,798	$ 3,823
Intrinsic value of share options exercised	$ 129	$ 1,201	$ 3,744

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Share Options - continued

As of December 31, 2020, there were $13,998 unrecognized compensation costs related to share options under the 2011 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.84 years.

Restricted Shares

During the years ended December 31, 2020, 2019 and 2018, the grant date fair values for restricted shares granted under the 2011 Share Incentive Plan, with vesting periods of generally two to three years, were determined with reference to the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant.

A summary of the restricted shares activity under the 2011 Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2020	7,105,176	$ 7.94
Granted	9,497,823	4.17
Vested	(2,822,235)	7.20
Forfeited	(424,134)	6.62
Unvested as of December 31, 2020	13,356,630	$ 5.46

The following information is provided for restricted shares under the 2011 Share Incentive Plan:

	Year Ended December 31,		
	2020	2019	2018
Weighted average grant date fair value	$ 4.17	$ 8.14	$ 9.50
Grant date fair value of restricted shares vested	$ 20,317	$ 8,825	$ 13,952

As of December 31, 2020, there were $40,756 unrecognized compensation costs related to restricted shares under the 2011 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.91 years.

In January 2021, Melco approved the grant of restricted shares under the 2011 Share Incentive Plan to the eligible management personnel of the Company in lieu of the 2020 bonus for their services performed during 2020. The grant vested immediately on the grant date on March 31, 2021 and the grant date fair value was determined with reference to the closing price of Melco's ADS trading on the Nasdaq Global Select Market on the date of grant. Share-based compensation expenses of $13,799, of which $921 were capitalized, were recognized for such grant during the year ended December 31, 2020 based on the estimated bonus amount.

17. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan

MRP adopted a share incentive plan (the "MRP Share Incentive Plan"), effective on June 24, 2013, which has been subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase MRP common shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of MRP and its subsidiaries, and the Company and its affiliates. The maximum term of an award is 10 years from the date of grant. The maximum aggregate number of common shares to be available for all awards under the MRP Share Incentive Plan is 442,630,330 shares and with up to 5% of the issued capital stock of MRP from time to time over 10 years. On April 24, 2019 and June 24, 2019, the board and the stockholders of MRP approved an amendment to the Amended Articles of Incorporation of MRP, respectively, whereby, without changing the total amount of the authorized capital stock, the par value per MRP common share was increased from PHP1 (equivalent to $0.02) per share to PHP500,000 (equivalent to $9,857) per share, thereby decreasing the total number of MRP common shares on a pro-rata basis ("Reverse Stock Split"). The Reverse Stock Split was approved by the Philippine Securities and Exchange Commission (the "Philippine SEC") on May 12, 2020. As of December 31, 2020, there were 305 MRP common shares available for grants of various share-based awards under the MRP Share Incentive Plan. All share and per share data of MRP common shares relating to the transactions carried out before May 12, 2020 as disclosed in the accompanying consolidated financial statements, including the movements of outstanding options and restricted shares during the year ended December 31, 2020, represent the number of shares or value per share of MRP common shares before the Reverse Stock Split.

On May 22, 2019, MRP offered to all eligible participants of the MRP Share Incentive Plan the option to retire all outstanding equity awards, including the unvested share options, vested but unexercised share options and unvested restricted shares (collectively, the "MRP Outstanding Awards") by the payment of cash to the eligible participants (the "MRP SIP Retirement Arrangements") in light of the delisting of the MRP as disclosed in Note 26. The acquiescence of such MRP SIP Retirement Arrangements was obtained from the Philippine SEC on May 17, 2019. As a result of all eligible participants electing to participate in the MRP SIP Retirement Arrangements, all the MRP Outstanding Awards, including a total of 15,971,173 outstanding share options (including both unvested and vested but unexercised share options) and 29,068,424 outstanding restricted shares under the MRP Share Incentive Plan, were irrevocably cancelled and extinguished pursuant to the MRP SIP Retirement Arrangements on May 31, 2019 (the "MRP SIP Modification").

Under the MRP SIP Retirement Arrangements, MRP will pay the eligible participants a fixed amount in cash ("MRP Settlement Amount") according to the original vesting schedules of the outstanding share options and restricted shares, subject to other terms and conditions. The MRP Settlement Amount of the outstanding restricted shares is PHP7.25 (equivalent to $0.14) per share, based on the offer price of the Tender Offer (as described in Note 26) in 2018 and the MRP Settlement Amount of the outstanding share options which was determined using the Black-Scholes valuation model. The weighted average fair value of the share options at the modification date was PHP4.23 (equivalent to $0.08) per option.

MRP uses the Black-Scholes valuation model to determine the estimated fair value for each outstanding share option under the MRP SIP Retirement Arrangements at the modification date, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid. Expected volatility is based on the historical volatility of MRP common shares trading on the Philippine Stock Exchange, Inc. ("PSE") and the historical volatility of a peer group of publicly traded companies. Expected terms are based upon the expected exercise behavior of the outstanding options. The risk-free interest rate used for each period presented is based on the Philippine government bond yield for the period equal to the expected term.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan - continued

The fair values of the outstanding share options under the MRP SIP Retirement Arrangements at modification date were estimated using the following weighted average assumptions as follows:

Expected dividend yield	—
Expected stock price volatility	45.00%
Risk-free interest rate	5.81%
Expected term (years)	5.7

As a result of the MRP SIP Modification, on May 31, 2019, the Company recognized a liability of $4,064 with a corresponding reduction in additional paid-in capital of $4,619 and non-controlling interests of $84. All the MRP Outstanding Awards were modified from equity-settled to cash-settled, with other terms unchanged. Since the fair values of the modified awards and the original awards were the same on the modification date, no incremental share-based compensation expenses resulted. At each balance sheet date until the liability is settled, the liability is accrued for the MRP Outstanding Awards as they become vested at the MRP Settlement Amount, with a corresponding share-based compensation expense recognized in the accompanying consolidated statements of operations.

As at December 31, 2020 and 2019, the accrued liability associated with the cash-settled share options and restricted shares was $333 and $1,217, respectively. No fair value gain or loss on remeasurement of the liability associated with the cash-settled share options and restricted shares was recognized for the years ended December 31, 2020 and 2019.

Share Options

There were no share options granted under the MRP Share Incentive Plan during the years ended December 31, 2020 and 2019. During the year ended December 31, 2018, the exercise prices for share options granted under the MRP Share Incentive Plan were determined with reference to the market closing prices of MRP common shares on the dates of grant as defined in the MRP Share Incentive Plan. These share options generally became exercisable over vesting periods of two to three years. The share options granted expire 10 years from the date of grant.

MRP uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of MRP common shares trading on the PSE and a peer group of publicly traded companies. Expected term is based upon the vesting term or the historical expected term of Melco. The risk-free interest rate used for each period presented is based on the Philippine government bond yield at the time of grant for the period equal to the expected term.

The fair value of share options granted under the MRP Share Incentive Plan was estimated on the date of grant using the following weighted average assumptions as follows:

	Year Ended December 31, 2018
Expected dividend yield	—
Expected stock price volatility	45.00%
Risk-free interest rate	5.69%
Expected term (years)	5.6

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17. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan - continued

Share Options - continued

A summary of the share options activity under the MRP Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of share Options	Weighted Average Remaining Contractual Term
Cash-settled		
Outstanding as of January 1, 2020	7,383,408	
Vested	(6,357,751)	
Outstanding as of December 31, 2020	1,025,657	7.25

The following information is provided for share options under the MRP Share Incentive Plan:

	Year Ended December 31,		
	2020	2019	2018
Weighted average grant date fair value	$ —	$ —	$ 0.07

There were no share options exercised under MRP Share Incentive Plan for the years ended December 31, 2020, 2019 and 2018.

During the years ended December 31, 2020 and 2019, MRP paid $495 and $760 to settle the vested share options that are classified as cash-settled awards under the MRP Share Inventive Plan, respectively.

As of December 31, 2020, there were $14 unrecognized compensation costs related to share options under the MRP Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.24 year.

Restricted Shares

There were no restricted shares granted under the MRP Share Incentive Plan during the years ended December 31, 2020 and 2019. During the year ended December 31, 2018, the grant date fair values for restricted shares granted under the MRP Share Incentive Plan, with vesting periods of generally two to three years, were determined with reference to the market closing prices of MRP common shares on the dates of grant as defined in the MRP Share Incentive Plan.

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17. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan - continued

Restricted Shares - continued

A summary of the restricted shares activity under the MRP Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Cash-settled		
Unvested as of January 1, 2020	8,235,686	$ 0.16
Vested	(5,922,184)	0.17
Unvested as of December 31, 2020	2,313,502	$ 0.15

The following information is provided for restricted shares under the MRP Share Incentive Plan:

	Year Ended December 31,		
	2020	2019	2018
Weighted average grant date fair value	$ —	$ —	$ 0.14
Grant date fair value of restricted shares vested	$1,030	$2,026	$1,747

During the years ended December 31, 2020 and 2019, MRP paid $871 and $2,948 to settle the vested restricted shares that are classified as cash-settled awards under the MRP Share Incentive Plan, respectively.

As of December 31, 2020, there were $95 unrecognized compensation costs related to restricted shares under the MRP Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.30 year.

Melco International Share Incentive Plan

On September 6, 2019, certain share-based awards under Melco International's share option scheme adopted on May 30, 2012 and share purchase scheme adopted on October 18, 2007 (the "Melco International Share Incentive Plan") were granted by Melco International to an employee of the Company.

In accordance with the applicable accounting standards, the share-based compensation expenses related to the grant of share-based awards under Melco International Share Incentive Plan to an employee of the Company, to the extent of services received by the Company, are recognized in the accompanying consolidated statements of operations with a corresponding increase in additional paid-in capital, representing capital contribution from Melco International.

Share Options

During the year ended December 31, 2019, the exercise price for share options granted under the Melco International Share Incentive Plan was determined at the higher of the closing price of Melco International's ordinary shares trading on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on the date of grant and the average closing prices of Melco International's ordinary

MELCO RESORTS & ENTERTAINMENT LIMITED

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17. SHARE-BASED COMPENSATION - continued

Melco International Share Incentive Plan - continued

Share Options - continued

shares trading on the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant. These share options became exercisable over a vesting period of 2.8 years. The share options granted expire 10 years from the date of grant.

Melco International uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco International's ordinary shares trading on the Hong Kong Stock Exchange. Expected term is based upon the vesting term and the expected term adopted by other publicly traded companies. The risk-free interest rate used for each period presented is based on the Hong Kong Government Bond rate at the time of grant for the period equal to the expected term.

The fair value of share options granted under the Melco International Share Incentive Plan was estimated on the date of grant using the following weighted average assumptions as follows:

	Year Ended December 31, 2019
Expected dividend yield	0.40%
Expected stock price volatility	43.33%
Risk-free interest rate	1.17%
Expected term (years)	4.9

A summary of the share options activity under the Melco International Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2020	14,200,000	$ 2.43		
Outstanding as of December 31, 2020	14,200,000	$ 2.45	8.69	$ —
Fully vested and expected to vest as of December 31, 2020	14,200,000	$ 2.45	8.69	$ —
Exercisable as of December 31, 2020	4,734,000	$ 2.45	8.69	$ —

There were no share options exercised under the Melco International Share Incentive Plan during the years ended December 31, 2020 and 2019. During the year ended December 31, 2019, the weighted average grant date fair value under the Melco International Share Incentive Plan was $0.90.

As of December 31, 2020, there were $5,481 unrecognized compensation costs related to share options under the Melco International Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.50 years.

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17. SHARE-BASED COMPENSATION - continued

Melco International Share Incentive Plan - continued

Restricted Shares

During the year ended December 31, 2019, the grant date fair value for restricted shares granted under the Melco International Share Incentive Plan, with a vesting period of 2.8 years, was determined with reference to the closing price of Melco International's ordinary shares trading on the Hong Kong Stock Exchange on the date of grant.

Under the existing arrangements of the Melco International Share Incentive Plan, a grantee shall satisfy any tax or other liabilities to which he or she may become subject to as a result of his or her participation in the Melco International Share Incentive Plan by his or her own cash.

During the year ended December 31, 2020, to enhance administration flexibility of the board of Melco International in the implementation of the Melco International Share Incentive Plan, Melco International revised the rules of the Melco International Share Incentive Plan so as to give authority to Melco International to deduct or withhold a portion of the awards granted to the grantee pursuant to the Melco International Share Incentive Plan (the "Awards") if Melco International is statutorily required to deduct or withhold an amount to satisfy the tax obligation of any grantee arising from the grant of the Awards (the "Grantee Tax Obligation"), or if a grantee otherwise elects to satisfy his/her Grantee Tax Obligation (which is not statutorily required to be deducted or withheld) and/or exercise cost (in case a grantee exercises his/ her share options granted under the Melco International Share Incentive Plan) by way of deduction or withholding of the relevant portion of his/her Awards (the "Net Settlement Arrangement"). The Net Settlement Arrangement was approved by the board of Melco International on March 31, 2020 and further approved by the shareholders of Melco International for amendments to Melco International Share Incentive Plan on June 5, 2020.

On June 30, 2020, an employee of the Company, who was granted certain share-based awards under Melco International Share Incentive Plan on September 6, 2019, elected the Net Settlement Arrangement on certain awards and approximately 2,569,000 restricted shares were modified from equity-settled to cash-settled with all other terms unchanged.

A summary of the restricted shares activity under the Melco International Share Incentive Plan for the year ended December 31, 2020, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2020	4,879,000	$ 2.43
Vested	(1,627,000)	2.45
Unvested as of December 31, 2020	3,252,000	$ 2.45

During the year ended December 31, 2020, the grant date fair value of restricted shares vested under the Melco International Share Incentive Plan was $3,979. There were no restricted shares vested under the Melco International Share Incentive Plan during the year ended December 31, 2019.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. SHARE-BASED COMPENSATION - continued

Melco International Share Incentive Plan - continued

Restricted Shares - continued

As of December 31, 2020, there were $4,956 unrecognized compensation costs related to restricted shares under the Melco International Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.5 years.

The share-based compensation expenses for the Company were recognized as follows:

	Year Ended December 31,		
	2020	2019	2018
Share-based compensation expenses:			
2011 Share Incentive Plan	$49,579	$28,466	$25,284
MRP Share Incentive Plan	671	1,113	(141)
Melco International Share Incentive Plan	7,021	2,218	—
Total share-based compensation expenses	57,271	31,797	25,143
Less: Share-based compensation expenses capitalized in property and equipment	(2,879)	—	—
Share-based compensation expenses recognized in general and administrative expenses	$54,392	$31,797	$25,143

18. EMPLOYEE BENEFIT PLANS

The Company has obligations to make the required contributions with respect to the defined contribution retirement benefits schemes as set out below.

The Company operates defined contribution fund schemes in different jurisdictions, which allow eligible employees to participate in defined contribution plans (the “Defined Contribution Fund Schemes”). The Company either contributes a fixed percentage of the eligible employees’ relevant income, a fixed amount or an amount which matches the contributions of the employees up to a certain percentage of relevant income to the Defined Contribution Fund Schemes. The Company’s contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting ranging from 4 to 10 years from the date of employment. The Defined Contribution Fund Schemes were established under trusts with the fund assets being held separately from those of the Company by independent trustees.

Employees employed by the Company in different jurisdictions are members of government-managed social security fund schemes (the “Social Security Fund Schemes”), which are operated by the respective governments, if applicable. The Company is required to pay monthly fixed contributions or certain percentages of employee relevant income and meet the minimum mandatory requirements of the respective Social Security Fund Schemes to fund the benefits.

During the years ended December 31, 2020, 2019 and 2018, the Company’s contributions into the defined contribution retirement benefits schemes were $30,310, $33,391 and $23,409, respectively.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

19. DISTRIBUTION OF PROFITS

All subsidiaries of Melco incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of the legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the board of directors of the relevant subsidiaries. As of December 31, 2020 and 2019, the aggregate balance of the reserves amounted to $31,524 and $31,524, respectively.

The Company's borrowings, subject to certain exceptions and conditions, contain certain restrictions on paying dividends and other distributions, as defined in the respective indentures governing the relevant senior notes and credit facility agreements, details of which are disclosed in Note 12 under each of the respective borrowings.

20. DIVIDENDS

On Mach 12, 2020, Melco paid a quarterly dividend of $0.05504 per share, and during the year ended December 31, 2020, Melco recorded total amount of quarterly dividend of $79,116 as a distribution against retained earnings.

In May 2020, the Company suspended its quarterly dividend program due to the impact of the COVID-19 pandemic.

On March 14, 2019, May 30, 2019, August 15, 2019 and November 22, 2019, Melco paid quarterly dividends of $0.0517, $0.0517, $0.05504 and $0.05504 per share, respectively, and during the year ended December 31, 2019, Melco recorded a total amount of quarterly dividends of $300,995 as distributions against retained earnings.

On March 7, 2018, May 23, 2018, August 15, 2018 and November 29, 2018, Melco paid quarterly dividends of $0.045, $0.045, $0.04835 and $0.04835 per share, respectively, and during the year ended December 31, 2018, Melco recorded a total amount of quarterly dividends of $271,531, with $1,214 and $270,317 as distributions against additional paid-in capital and retained earnings, respectively.

21. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

Pursuant to a memorandum of agreement entered into by a subsidiary of Melco with the Philippine Parties as described below and certain of its subsidiaries in 2012 for the development of City of Dreams Manila, the relevant parties of the Licensees as described below and certain of its subsidiaries entered into the following agreements which became effective on March 13, 2013 and end on the date of expiry of the Regular License as described below, currently expected to be on July 11, 2033 unless terminated earlier in accordance with the respective terms of the individual agreements.

(a) **Regular License**

On April 29, 2015, PAGCOR issued a regular casino gaming license, as amended (the "Regular License") in replacement of a provisional license granted as of March 13, 2013, to the co-licensees (the "Licensees") namely, MPHIL Holdings No. 1 Corporation, a subsidiary of MRP, and its subsidiaries

21. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA - continued

(a) **Regular License** - continued

including Melco Resorts Leisure (collectively the "MPHIL Holdings Group"), SM Investments Corporation ("SMIC"), Belle Corporation ("Belle") and PremiumLeisure and Amusement, Inc. ("PLAI") (SMIC, Belle and PLAI are collectively referred to as the "Philippine Parties") for the establishment and operation of City of Dreams Manila, with Melco Resorts Leisure, a co-licensee, as the "special purpose entity" to operate the casino business and as representative for itself and on behalf of the other co-licensees in dealings with PAGCOR. The Regular License has the same terms and conditions as the provisional license, and is valid until July 11, 2033. Further details of the terms and commitments under the Regular License are included in Note 22(b).

(b) **Cooperation Agreement**

The Licensees and certain of its subsidiaries entered into a cooperation agreement (the "Cooperation Agreement") and other related arrangements which govern the rights and obligations of the Licensees. Under the Cooperation Agreement, Melco Resorts Leisure is appointed as the sole and exclusive representative of the Licensees in connection with the Regular License and is designated as the operator to operate and manage City of Dreams Manila. Further details of the commitments under the Cooperation Agreement are included in Note 22(b).

(c) **Operating Agreement**

The Licensees entered into an operating agreement (the "Operating Agreement") which governs the operation and management of City of Dreams Manila by Melco Resorts Leisure. Under the Operating Agreement, Melco Resorts Leisure is appointed as the sole and exclusive operator and manager of City of Dreams Manila, and is responsible for, and has sole discretion (subject to certain exceptions) and control over, all matters relating to the operation and management of City of Dreams Manila (including the gaming and non-gaming operations). The Operating Agreement also includes terms of certain monthly payments to PLAI from Melco Resorts Leisure, based on the performance of gaming operations of City of Dreams Manila and is included in "Payments to the Philippine Parties" in the accompanying consolidated statements of operations, and further provides that Melco Resorts Leisure has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

(d) **MRP Lease Agreement**

Melco Resorts Leisure and Belle entered into a lease agreement, as amended from time to time (the "MRP Lease Agreement") under which Belle agreed to lease to Melco Resorts Leisure the land and certain of the building structures for City of Dreams Manila. The leased property is used by Melco Resorts Leisure and any of its affiliates exclusively as a hotel, casino and resort complex.

22. COMMITMENTS AND CONTINGENCIES

(a) **Capital Commitments**

As of December 31, 2020, the Company had capital commitments contracted for but not incurred mainly for the construction and acquisition of property and equipment for Studio City, City of Dreams and Cyprus Operations totaling $771,010.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

22. COMMITMENTS AND CONTINGENCIES - continued

(b) **Other Commitments**

Gaming Subconcession — Macau

On September 8, 2006, the Macau government granted a gaming subconcession to Melco Resorts Macau to operate its gaming business in Macau. Pursuant to the gaming subconcession agreement, Melco Resorts Macau committed to pay the Macau government the following:

i) A fixed annual premium of MOP30,000,000 (equivalent to $3,757).

ii) A variable premium depending on the number and type of gaming tables and gaming machines that Melco Resorts Macau operates. The variable premium is calculated as follows:

- MOP300,000 (equivalent to $37) per year for each gaming table (subject to a minimum of 100 tables) reserved exclusively for certain kinds of games or to certain players;
- MOP150,000 (equivalent to $19) per year for each gaming table (subject to a minimum of 100 tables) not reserved exclusively for certain kinds of games or to certain players; and
- MOP1,000 (equivalent to $0.1) per year for each electrical or mechanical gaming machine, including the slot machine.

iii) A special gaming tax of an amount equal to 35% of the gross revenues of the gaming business operations on a monthly basis.

iv) A sum of 4% of the gross revenues of the gaming business operations to utilities designated by the Macau government (a portion of which must be used for promotion of tourism in Macau) on a monthly basis.

v) Melco Resorts Macau must maintain a guarantee issued by a Macau bank in favor of the Macau government in a maximum amount of MOP300,000,000 (equivalent to $37,569) until the 180th day after the termination date of the gaming subconcession.

As a result of the bank guarantee issued by the bank to the Macau government as disclosed in Note 22(b)(v) above, a sum of 1.75% per annum of the guarantee amount will be payable by Melco Resorts Macau quarterly to the bank.

Regular License — Philippines

Other commitments required by PAGCOR under the Regular License include as follows:

- To secure a surety bond in favor of PAGCOR in the amount of PHP100,000,000 (equivalent to $2,082) to ensure prompt and punctual remittances/payments of all license fees.
- License fees must be remitted on a monthly basis, in lieu of all taxes with reference to the income component of the gross gaming revenues: (a) 15% high roller tables; (b) 25% non-high roller tables; (c) 25% slot machines and electronic gaming machines; and (d) 15% junket operations. The license fees are inclusive of the 5% franchise tax under the terms of the PAGCOR charter.
- The Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

22. COMMITMENTS AND CONTINGENCIES - continued

(b) **Other Commitments** - continued

Regular License — Philippines - continued

- PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues from hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires.
- Grounds for revocation of the Regular License, among others, are as follows: (a) failure to comply with material provisions of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) has become bankrupt or insolvent; and (d) if the debt-to-equity ratio is more than 70:30. As of December 31, 2020 and 2019, MPHIL Holdings Group, as one of the Licensee parties, has complied with the required debt-to-equity ratio under the definition as agreed with PAGCOR.

Cooperation Agreement — Philippines

Under the terms of the Cooperation Agreement, the Licensees are jointly and severally liable to PAGCOR under the Regular License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any losses suffered or incurred by that Licensees arising out of, or in connection with, any breach by the indemnifying Licensee of the Regular License. Also, each of the Philippine Parties and MPHIL Holdings Group agree to indemnify the non-breaching party for any losses suffered or incurred as a result of a breach of any warranties.

Gaming License — Cyprus

On June 26, 2017, the Cyprus government granted a gaming license (the “Cyprus License”) to a subsidiary of ICR Cyprus (the “Cyprus Subsidiary”) to develop, operate and maintain an integrated casino resort in Limassol, Cyprus and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary has committed to pay the Cyprus government the following:

i) Annual license fee for the temporary casino and integrated casino resort of 2,500,000 Euros (“EUR”) (equivalent to $3,074) per year for the first four years, and EUR5,000,000 (equivalent to $6,149) per year for the next four years. Upon the completion of the eight years and thereafter every four years during the term of the Cyprus License, the Cyprus government may review the annual license fee, with minimum of EUR5,000,000 (equivalent to $6,149) per year and any increase in the annual license fee may not exceed 20% of the annual license fee paid annually during the previous four-year period.

ii) Aggregate annual license fee for three operating satellite casinos of EUR2,000,000 (equivalent to $2,459).

iii) A casino tax of an amount equal to 15% of the gross gaming revenue on a monthly basis and the rate shall not be increased during the period of exclusivity for the Cyprus License.

iv) If the Cyprus Subsidiary fails to open the integrated casino resort by the opening date, as defined in the Cyprus License as April 30, 2021 which was further extended to September 30, 2022 based on the approval of the Steering Committee and the Council of Ministers in Cyprus made in February 2021 (the “Opening Date”), the Cyprus Subsidiary shall pay to the Cyprus government the amount of EUR10,000 (equivalent to $12) for each day the integrated casino resort remains

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

22. COMMITMENTS AND CONTINGENCIES - continued

(b) **Other Commitments** - continued

Gaming License — Cyprus - continued

unopened past the Opening Date, up to a maximum of EUR1,000,000 (equivalent to $1,230). If the integrated casino resort does not open for 100 business days past the Opening Date, the Cyprus government may terminate the Cyprus License.

Studio City Land Concession — Macau

In accordance with the Studio City land concession and the extension granted by the Macau government in November 2019, the land on which Studio City is located must be fully developed by May 31, 2022.

(c) **Guarantees**

Except as disclosed in Notes 12 and 22(b), the Company has made the following significant guarantees as of December 31, 2020:

- Melco Resorts Macau has issued a promissory note (“Livrança”) of MOP550,000,000 (equivalent to $68,876) to a bank in respect of the bank guarantee issued to the Macau government under its gaming subconcession.
- Melco has entered into two deeds of guarantee with third parties amounting to $35,000 to guarantee certain payment obligations of the City of Dreams’ operations.
- In October 2013, one of the Melco’s subsidiaries entered into a trade credit facility agreement for HK$200,000,000 (equivalent to $25,797) (“Trade Credit Facility”) with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility which matured on August 31, 2019 was further extended to August 31, 2021, and is guaranteed by Studio City Company. As of December 31, 2020, approximately $645 of the Trade Credit Facility had been utilized.
- Melco Resorts Leisure has issued a corporate guarantee of PHP100,000,000 (equivalent to $2,082) to a bank in respect of a surety bond issued to PAGCOR as disclosed in Note 22(b) under Regular License.

(d) **Litigation**

As of December 31, 2020, the Company was a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcome of such proceedings have no material impacts on the Company’s consolidated financial statements as a whole.

(In thousands of U.S. dollars, except share and per share data)

23. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020, 2019 and 2018, the Company entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2020	2019	2018
Transactions with affiliated companies				
Melco International and its subsidiaries	**Revenues (services provided by the Company):**			
	Shared service fee income for corporate office	$1,521	$ 1,366	$ 3,044
	Management fee income for Cyprus project[1]	—	1,056	1,903
	Costs and expenses (services provided to the Company): Management fee expenses[2]	1,477	2,798	4,339
	Management fee expenses for Cyprus Project[1]	—	1,316	3,790
	Share-based compensation expenses[3]	7,021	2,218	—
A joint venture and a subsidiary of MECOM Power and Construction Limited ("MECOM")[4]	**Costs and expenses (services provided to the Company):** Consultancy fee expense	—	10,031	11,723
	Purchase of assets: Construction and renovation work performed and recognized as property and equipment	—	10,174	13,481

Notes

(1) The amount mainly represents management fee income for services provided by the Company to Melco International for management and operation for the project in Cyprus, and such amount was further recharged with mark-up by a subsidiary of Melco International to ICR Cyprus Group. The amount represents the transactions for the period up to the completion of the Acquisition of ICR Cyprus on July 31, 2019 as described in Note 25.

(2) The amount mainly represents management fee expenses for the services provided by the senior management of Melco International and for the operation of the office of Melco's Chief Executive Officer.

(3) The amount represents the share-based compensation expenses related to the grant of certain share-based awards under Melco International Share Incentive Plan to an employee of the Company. Further information on the share-based compensation arrangements is included in Note 17.

(4) A company in which Mr. Lawrence Yau Lung Ho, Melco's Chief Executive Officer, had beneficial interest of approximately 20% until December 10, 2019, the date on which Mr. Lawrence Yau Lung Ho disposed his entire beneficial interest in MECOM. The amount in 2019 represents the transactions with a joint venture and a subsidiary of MECOM during the period from January 1, 2019 to December 10, 2019.

(In thousands of U.S. dollars, except share and per share data)

23. RELATED PARTY TRANSACTIONS - continued

Other Related Party Transactions

On July 31, 2019, the Company acquired from Melco International all of Melco International's holdings of ordinary shares of ICR Cyprus. Further details of the transaction are included in Note 25.

(a) **Amounts Due from Affiliated Companies**

The outstanding balances mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies as of December 31, 2020 and 2019 are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31,	
	2020	2019
Melco International and its subsidiaries	$ 765	$ 442

(b) **Amounts Due to Affiliated Companies**

The outstanding balances mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company as of December 31, 2020 and 2019, are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31,	
	2020	2019
Subsidiaries of Melco International	$1,656	$1,088
Others	12	435
	$1,668	$1,523

24. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business in Asia and Europe and its principal operating and developmental activities occur in three geographic areas: Macau, the Philippines and Cyprus. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of Mocha Clubs, Altira Macau, City of Dreams, Studio City, City of Dreams Manila and Cyprus Operations. Japan development projects, including Japan Ski Resort, and Grand Dragon Casino are included in the Corporate and Other category.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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24. SEGMENT INFORMATION - continued

The Company's segment information for total assets and capital expenditures is as follows:

Total Assets

	December 31,		
	2020	2019	2018
Macau:			
Mocha Clubs	$ 132,304	$ 145,919	$ 120,789
Altira Macau	307,657	429,980	376,655
City of Dreams	3,288,051	3,461,487	3,636,732
Studio City	3,407,884	3,153,721	3,378,646
Sub-total	7,135,896	7,191,107	7,512,822
The Philippines:			
City of Dreams Manila	613,664	721,205	644,481
Cyprus:			
Cyprus Operations	326,047	261,106	247,729
Corporate and Other	945,360	1,315,004	716,964
Total consolidated assets	$ 9,020,967	$ 9,488,422	$ 9,121,996

Capital Expenditures

	Year Ended December 31,		
	2020	2019	2018
Macau:			
Mocha Clubs	$ 3,490	$ 6,620	$ 8,973
Altira Macau	11,519	17,707	24,450
City of Dreams	119,014	134,075	311,441
Studio City	214,625	89,846	73,189
Sub-total	348,648	248,248	418,053
The Philippines:			
City of Dreams Manila	15,622	58,697	22,572
Cyprus:			
Cyprus Operations	74,523	39,911	68,238
Corporate and Other	25,460	124,265	54,109
Total capital expenditures	$ 464,253	$ 471,121	$ 562,972

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

24. SEGMENT INFORMATION - continued

The Company's segment information and reconciliation to net (loss) income attributable to Melco Resorts & Entertainment Limited is as follows:

	Year Ended December 31,		
	2020	2019	2018
Operating revenues			
Macau:			
Mocha Clubs	$ 65,322	$ 117,473	$ 113,432
Altira Macau	108,854	465,056	471,292
City of Dreams	985,619	3,050,491	2,543,649
Studio City	266,522	1,355,321	1,368,400
Sub-total	1,426,317	4,988,341	4,496,773
The Philippines:			
City of Dreams Manila	224,688	602,479	612,947
Cyprus:			
Cyprus Operations	51,005	94,731	32,951
Corporate and Other	25,913	51,250	46,271
Total operating revenues	$ 1,727,923	$ 5,736,801	$ 5,188,942
Adjusted property EBITDA[(1)]			
Macau:			
Mocha Clubs	$ 3,560	$ 23,280	$ 21,490
Altira Macau	(58,773)	51,470	55,547
City of Dreams	(1,326)	922,776	756,378
Studio City	(79,000)	415,098	375,288
Sub-total	(135,539)	1,412,624	1,208,703
The Philippines:			
City of Dreams Manila	28,983	247,091	269,199
Cyprus:			
Cyprus Operations	2,280	29,757	8,461
Total adjusted property EBITDA	(104,276)	1,689,472	1,486,363
Operating costs and expenses:			
Payments to the Philippine Parties	(12,989)	(57,428)	(60,778)
Pre-opening costs	(1,322)	(4,847)	(55,390)
Development costs	(25,616)	(57,433)	(23,029)
Amortization of gaming subconcession	(57,411)	(56,841)	(56,809)
Amortization of land use rights	(22,886)	(22,659)	(22,646)
Depreciation and amortization	(538,233)	(571,705)	(488,446)
Land rent to Belle	(3,195)	(3,061)	(3,001)
Share-based compensation	(54,392)	(31,797)	(25,143)
Property charges and other	(47,223)	(20,815)	(29,147)
Corporate and Other expenses	(73,014)	(115,208)	(108,527)
Total operating costs and expenses	(836,281)	(941,794)	(872,916)
Operating (loss) income	$ (940,557)	$ 747,678	$ 613,447

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

24. SEGMENT INFORMATION - continued

	Year Ended December 31,		
	2020	2019	2018
Non-operating income (expenses):			
Interest income	$ 5,134	$ 9,311	$ 5,471
Interest expenses, net of amounts capitalized	(340,839)	(310,102)	(264,880)
Other financing costs	(7,955)	(2,738)	(4,630)
Foreign exchange losses, net	(2,079)	(10,756)	(10,497)
Other (expenses) income, net	(150,969)	(23,914)	3,684
Loss on extinguishment of debt	(19,952)	(6,333)	(3,461)
Costs associated with debt modification	(310)	(579)	—
Total non-operating expenses, net	(516,970)	(345,111)	(274,313)
(Loss) income before income tax	(1,457,527)	402,567	339,134
Income tax credit (expense)	2,913	(8,339)	(238)
Net (loss) income	(1,454,614)	394,228	338,896
Net loss (income) attributable to noncontrolling interests	191,122	(21,055)	1,403
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (1,263,492)	$ 373,173	$ 340,299

Note

(1) "Adjusted property EBITDA" is net (loss) income before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle, Corporate and Other expenses, and other non-operating income and expenses. The Company uses Adjusted property EBITDA to measure the operating performance of Mocha Clubs, Altira Macau, City of Dreams, Studio City, City of Dreams Manila and Cyprus Operations and to compare the operating performance of its properties with those of its competitors.

The Company's geographic information for long-lived assets is as follows:

Long-lived Assets

	December 31,		
	2020	2019	2018
Macau	$ 6,054,014	$ 6,207,746	$ 6,287,324
The Philippines	369,664	398,110	381,866
Cyprus	232,374	152,066	124,072
Hong Kong and other foreign countries	64,702	86,726	61,095
Total long-lived assets	$ 6,720,754	$ 6,844,648	$ 6,854,357

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. ACQUISITION OF SUBSIDIARIES

Acquisition of ICR Cyprus

On July 31, 2019, the Company completed its acquisition from Melco International of all of Melco International's holding of ordinary shares of ICR Cyprus, which represented a 75% equity interest in ICR Cyprus (the "Acquisition of ICR Cyprus") for a consideration represented by the issuance of 55,500,738 ordinary shares of Melco, which were equivalent to 18,500,246 ADSs. The Acquisition of ICR Cyprus is accounted for as a transaction involving a transfer of business between entities under common control in accordance with the applicable accounting standards. Accordingly, the transfer of Melco International's equity interest in ICR Cyprus to Melco was accounted for at carrying values of net assets transferred and the consideration in excess of the net assets of ICR Cyprus Group of $192,304 was recognized as an increase in the Company's additional paid-in capital in 2017, the inception of common control resulting from the acquisition of ICR Cyprus and its subsidiaries by Melco International.

Acquisition of Japan Ski Resort

On November 28, 2019, the Company completed its acquisition of a 100% equity interest in Kabushiki Kaisha Okushiga Kogen Resort (the "Japan Ski Resort"), a company which currently operates a ski resort in Nagano, Japan, for a cash consideration of 1,685,000,000 Japanese Yen (equivalent to $15,394), for its future business development in Japan. The acquisition was not material to the Company's consolidated financial statements. In connection with this acquisition, the Company recorded goodwill of $13,731 which was primarily attributable to the benefit of future market development of the Company and was not deductible for tax purposes. Acquisition-related costs were expensed as incurred and were not significant.

The Company accounted for the acquisition as a business combination in accordance with the applicable accounting standards and recorded the assets acquired and liabilities assumed at their respective fair values as of the acquisition date. The Company estimated fair value using level 2 inputs, which are observable inputs for similar assets, and level 3 inputs, which are unobservable inputs, for other acquired assets and assumed liabilities. The allocation of the purchase price was finalized in 2020 with no adjustments to the provisional fair values of the assets acquired and liabilities assumed as of the date of acquisition.

For the period from November 28, 2019 through December 31, 2019, Japan Ski Resort's net revenue, operating income and net income were not material. Pro forma results of operations for the acquisition have not been presented because it is not material to the consolidated results of operations.

26. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES

The Philippine subsidiaries

During the year ended December 31, 2018, 20,506,393 restricted shares under the MRP Share Incentive Plan were vested, which decreased Melco's shareholding in MRP and the Company recognized a decrease of $573 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in MRP.

On October 31, 2018, MCO (Philippines) Investments Limited ("MCO Philippines Investments"), a subsidiary of Melco, conducted a voluntary tender offer (the "Tender Offer") for up to 1,569,786,768 outstanding common shares of MRP held by the public, at a price of PHP7.25 (equivalent to $0.14) per share, for the purpose of increasing and consolidating its shareholding interest in MRP. The Tender Offer expired on November 29, 2018 and 1,338,477,668 outstanding common shares of MRP were tendered and acquired by MCO Philippines Investments at the offer price of PHP7.25 (equivalent to $0.14) per MRP

26. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES - continued

The Philippine subsidiaries - continued

share for a total amount of PHP9,703,963,000 (equivalent to $184,055) and were crossed (the "Cross Transaction") over the facilities of the PSE on December 10, 2018. An additional 107,475,300 common shares of MRP were acquired by MCO Philippines Investments from December 6, 2018 until December 10, 2018 at a total consideration of PHP779,196,000 (equivalent to $14,779). After the Cross Transaction, MRP's public ownership level fell below the 10% required threshold over the Minimum Public Ownership Rules of the PSE. As a result, the shares of MRP were automatically suspended for trading by the PSE on December 10, 2018. MRP was automatically delisted from the PSE on June 11, 2019, by reason of its public ownership remaining below the 10% minimum threshold prescribed under the PSE's Rule on Minimum Public Ownership for a period of more than six months. The above transactions increased Melco's shareholding in MRP and the Company recognized a decrease of $140,999 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in MRP.

During the year ended December 31, 2020 and 2019, certain transactions, which affected Melco's shareholding in MRP, were carried out and the Company recognized decrease of $62 and $30 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of noncontrolling interests in MRP, respectively.

As a result of the Reverse Stock Split, only those stockholders of MRP who originally owned 500,000 MRP common shares with a par value of PHP1 (equivalent to $0.02) per share (each an "Original Share") and in multiples thereof immediately prior to the Reverse Stock Split would now own whole shares (each a "MRP Whole Share") of stock of MRP. Other holders of the Original Shares could now only hold a fractional share of MRP ("MRP Fractional Share"). To facilitate the elimination of MRP Fractional Shares held by other stockholders of MRP, MPHIL Corporation ("MPHIL"), a subsidiary of Melco, offered to purchase the resulting MRP Fractional Shares at the purchase price to be calculated by multiplying the number of Original Shares represented by the relevant MRP Fractional Shares (which were equal to the number of Original Shares held by the relevant stockholder immediately prior to the Reverse Stock Split) by the price of PHP7.25 (equivalent to $0.14) per Original Share ("Fractional Share Elimination Plan"). A stockholder could also sell any MRP Whole Shares to MPHIL under the Fractional Share Elimination Plan. Any holder of MRP Fractional Shares and/or MRP Whole Shares may accept this offer during the two-year period commencing from June 5, 2020.

During the years ended December 31, 2020, 2019 and 2018, the total transfers to noncontrolling interests amounted to $62, $30 and $141,572, respectively, and in relation to transactions as described above. The Company retains its controlling financial interest in MRP before and after the above transactions.

Studio City International

During the year ended December 31, 2018, Studio City International completed its initial public offering. In connection with its offering, Studio City International issued (i) 28,750,000 ADSs, representing 115,000,000 Class A ordinary shares, (ii) 800,376 Class A ordinary shares to Melco International to effect an assured entitlement distribution, pursuant to a concurrent private placement, and (iii) additional 4,312,500 ADSs, representing 17,250,000 Class A ordinary shares, pursuant to the full exercise by the underwriters of the over-allotment option. The offering decreased Melco's shareholding in Studio City International and the Company recognized a decrease of $31,845 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in Studio City International.

(In thousands of U.S. dollars, except share and per share data)

26. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES - continued

Studio City International - continued

During July and August 2020, Studio City International announced and completed a series of private offers of its 72,185,488 Class A ordinary shares and 14,087,299 ADSs, representing 56,349,196 Class A ordinary shares, to certain existing shareholders and holders of its ADSs, including Melco, with gross proceeds amounting $500,000, of which $219,198 was from noncontrolling interests. The private placements increased Melco's shareholding in Studio City International and the Company recognized an increase of $42 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in Studio City International.

The Company retains its controlling financial interest in Studio City International before and after the above transactions.

The schedule below discloses the effects of changes in Melco's ownership interest in MRP and Studio City International on its equity:

	Year Ended December 31,		
	2020	2019	2018
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$(1,263,492)	$ 373,173	$ 340,299
Transfers (to) from noncontrolling interests:			
The Philippine subsidiaries			
Decrease in additional paid-in capital resulting from the issuance of common shares of MRP to independent directors	(16)	(30)	—
Decrease in additional paid-in capital resulting from purchases of common shares of MRP from the open market and the Tender Offer	(46)	—	(140,999)
Decrease in additional paid-in capital resulting from the vesting of restricted shares under the MRP Share Incentive Plan	—	—	(573)
Sub-total	(62)	(30)	(141,572)
Studio City International			
Decrease in additional paid-in capital resulting from initial public offering	—	—	(31,845)
Increase in additional paid-in capital resulting from the private placements	42	—	—
Sub-total	42	—	(31,845)
Changes from net (loss) income attributable to Melco Resorts & Entertainment Limited's shareholders and transfers from noncontrolling interests	$(1,263,512)	$ 373,143	$ 166,882

27. SUBSEQUENT EVENTS

(a) On January 4, 2021, Studio City Finance initiated a conditional tender offer (the "Conditional Tender Offer") to purchase for cash any and all of the outstanding 2019 7.250% Studio City Notes with accrued interest. The Conditional Tender Offer was conditional upon, among other things, Studio City Finance raising sufficient funding from the completion of one or more financing transactions, together with cash on hand, to fund the purchase of validly tendered notes. The Conditional Tender Offer expired on January 11, 2021 with $347,056 aggregate principal amount of the 2019 7.250% Studio City Notes tendered.

(b) On January 14, 2021, Studio City Finance issued $750,000 in aggregate principal amount of 5.000% senior notes due January 15, 2029 at an issue price of 100% of the principal amount (the "2021 5.000% Studio City Notes"). The net proceeds from the offering of the 2021 5.000% Studio City Notes were used to fund the Conditional Tender Offer and, on February 17, 2021, redeem the 2019 7.250% Studio City Notes in aggregate principal amount of $252,944 which remained outstanding following the completion of the Conditional Tender Offer, together with accrued interest. The remaining proceeds will be used to partially fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes. All of the existing subsidiaries of Studio City Finance and any other future restricted subsidiaries as defined in the 2021 5.000% Studio City Notes are guarantors to guarantee the indebtedness under the 2021 5.000% Studio City Notes.

(c) On January 21, 2021, Melco Resorts Finance issued an additional $250,000 in aggregate principal amount of the 2019 5.375% Senior Notes at an issue price of 103.25% of the principal amount (the "Additional 2019 5.375% Senior Notes"). The net proceeds from the offering of the Additional 2019 5.375% Senior Notes were used to repay the outstanding principal amount of the 2020 Credit Facilities of HK$1,937,500,000 (equivalent to $249,887), together with accrued interest and associated costs. The Additional 2019 5.375% Senior Notes are consolidated and form a single series with the 2019 5.375% Senior Notes.

(d) On March 15, 2021, Studio City Company amended the terms of the 2016 Studio City Credit Facilities, including the extension of the maturity date for the 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility from November 30, 2021 to January 15, 2028 (the "Extended Maturity Date"). The 2016 SC Term Loan Facility shall be repaid at the Extended Maturity Date with no interim amortization payments. The 2016 SC Revolving Credit Facility is available up to the date that is one month prior to the 2016 SC Revolving Credit Facility's Extended Maturity Date. Changes have also been made to the covenants in order to align them with those of certain other financings at Studio City Finance, including amending the threshold sizes and measurement dates of the covenants. Accordingly, the outstanding principal amount of the 2016 SC Term Loan Facility, and the related deferred financing costs and restricted cash as of December 31, 2020 were classified as non-current liabilities or assets in the accompanying consolidated balance sheets.

(e) As a result of the disruptions caused by the COVID-19 pandemic, on March 22, 2021, Melco Resorts Leisure and Belle entered into a supplemental agreement to the MRP Lease Agreement ("MRP Lease Amendment Agreement") to make certain adjustments to the rental payments paid and payable by Melco Resorts Leisure for 2020 and 2021. Accordingly, Melco Resorts Leisure is entitled to rent concession of approximately PHP2,060,000,000 (equivalent to $42,900) for 2020 and a maximum rent concession of approximately PHP1,670,000,000 (equivalent to $34,702) for 2021 which will be recognized in 2021 and over the remaining terms of the lease until July 2033 in accordance with the applicable accounting standards. Additionally, on the same date, Melco Resorts Leisure and PLAI

27. SUBSEQUENT EVENTS - continued

entered into a supplemental agreement to the Operating Agreement where the monthly payments paid or payable by Melco Resorts Leisure from 2019 to 2022 have been adjusted.

(f) In February 2021, a subsidiary of ICR Cyprus entered into a land sale agreement and an electricity transmission substation construction work agreement (collectively the "EAC Agreements") with Electricity Authority Cyprus ("EAC"). Pursuant to the EAC Agreements, the subsidiary will sell and EAC will purchase a parcel of freehold land (the "Land") for a consideration of EUR850,000 (equivalent to $1,045) and the subsidiary is engaged by EAC to be a project manager in the design and construction of a transmission substation building situated on the Land for a consideration of EUR2,576,000 (equivalent to $3,168).

(g) On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was signed by President Duterte of the Philippines as Republic Act (RA) No. 11534, which was published in the Official Gazette of the Philippines on March 27, 2021 and is set to take effect 15 days after such publication in the Official Gazette. As of March 31, 2021, the implementing rules and regulations have not been finalized. Management determined that this is a non-adjusting event for 2020 financial reporting purposes. Management identified that the main change of CREATE is the reduction of minimum corporate income tax in the Philippines from 2% to 1% starting July 1, 2020 until June 30, 2023 and the corporate income tax rate in the Philippines from 30% to 25% starting July 1, 2020. Management believes that these changes in the tax rates will not have a significant impact to the Company's consolidated financial statements as at December 31, 2020 as Melco Resorts Leisure which operates City of Dreams Manila is in a net loss and taxable loss position as at December 31, 2020.

MELCO RESORTS & ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 36,213	$ 48,645
Amounts due from affiliated companies	150,651	149,580
Prepaid expenses and other current assets	4,044	6,244
Total current assets	190,908	204,469
Investments in subsidiaries	1,917,223	3,147,298
Deferred tax assets	6,015	3,557
Total assets	$ 2,114,146	$ 3,355,324
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	$ 20,488	$ 10,240
Income tax payable	931	931
Amounts due to an affiliated companies	174,989	91,542
Total current liabilities	196,408	102,713
Other long-term liabilities	3,419	5,130
Advances from affiliated companies	812,198	808,513
Total liabilities	1,012,025	916,356
Shareholders' equity:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,456,547,942 and 1,456,547,942 shares issued; 1,430,965,312 and 1,437,328,096 shares outstanding, respectively	14,565	14,565
Treasury shares, at cost; 25,582,630 and 19,219,846 shares, respectively	(121,028)	(90,585)
Additional paid-in capital	3,207,312	3,178,579
Accumulated other comprehensive losses	(11,332)	(18,803)
Accumulated losses	(1,987,396)	(644,788)
Total shareholders' equity	1,102,121	2,438,968
Total liabilities and shareholders' equity	$ 2,114,146	$ 3,355,324

MELCO RESORTS & ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2019	2018
Operating revenues	$ 14,614	$ 18,381	$ 18,267
Operating costs and expenses:			
General and administrative	(60,688)	(47,689)	(41,204)
Development costs	(30,242)	(50,795)	(24,095)
Property charges and other	(3,782)	—	—
Total operating costs and expenses	(94,712)	(98,484)	(65,299)
Operating loss	(80,098)	(80,103)	(47,032)
Non-operating income (expenses):			
Interest income	58	305	129
Foreign exchange losses, net	(4,871)	(1,983)	(6,958)
Other income, net	14,530	11,627	10,636
Share of results of subsidiaries	(1,195,569)	442,325	378,951
Total non-operating (expenses) income, net	(1,185,852)	452,274	382,758
(Loss) income before income tax	(1,265,950)	372,171	335,726
Income tax credit	2,458	1,002	4,573
Net (loss) income	$ (1,263,492)	$ 373,173	$ 340,299

MELCO RESORTS & ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2019	2018
Net (loss) income	$ (1,263,492)	$ 373,173	$ 340,299
Other comprehensive income (loss):			
Foreign currency translation adjustments, before and after tax	7,471	40,529	(33,872)
Other comprehensive income (loss)	7,471	40,529	(33,872)
Total comprehensive (loss) income	$ (1,256,021)	$ 413,702	$ 306,427

MELCO RESORTS & ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net cash provided by operating activities	$ 389,520	$ 413,044	$ 156,698
Cash flow from an investing activity:			
Advances to subsidiaries	(282,605)	(100,065)	(14,404)
Cash used in an investing activity	(282,605)	(100,065)	(14,404)
Cash flows from financing activities:			
Dividends paid	(79,116)	(300,995)	(271,531)
Repurchase of shares	(44,977)	—	(655,652)
Proceeds from exercise of share options	1,061	2,700	5,018
Advances from subsidiaries	3,685	24,281	784,232
Net cash used in financing activities	(119,347)	(274,014)	(137,933)
Net (decrease) increase in cash and cash equivalents	(12,432)	38,965	4,361
Cash and cash equivalents at beginning of year	48,645	9,680	5,319
Cash and cash equivalents at end of year	$ 36,213	$ 48,645	$ 9,680
Supplemental cash flow disclosures:			
Cash refund for income taxes	$ —	$ 638	$ —
Repurchase of shares included in accrued expenses and other current liabilities	$ —	$ —	$ 1,670

MELCO RESORTS & ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO FINANCIAL STATEMENT SCHEDULE 1
(In thousands of U.S. dollars)

1. Schedule 1 has been provided pursuant to the requirements of Rule 12-04(a) and 4-08(e)(3) of Regulation S-X, which require condensed financial information as to financial position, cash flows and results and operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of the consolidated and unconsolidated subsidiaries together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. As of December 31, 2020, approximately $1,288,000 of the restricted net assets were not available for distribution and as such, the condensed financial information of the Company has been presented for the years ended December 31, 2020, 2019 and 2018. The Company received cash dividends of $325,000, $400,000 and $400,000 from its subsidiary during the years ended December 31, 2020, 2019 and 2018, respectively.

2. Basis of Presentation

   The accompanying condensed financial information has been prepared using the same accounting policies as set out the Company’s consolidated financial statements except that the parent company has used the equity method to account for its investments in subsidiaries.

Exhibit 2.31

Description of rights of each class of securities registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act")

American Depositary Shares ("ADSs"), each representing three ordinary shares of Melco Resorts & Entertainment Limited ("we," "our," "our company," or "us"), are listed and traded on Nasdaq and, in connection therewith, the ordinary shares are registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This exhibit contains a description of the rights of (i) the holders of ordinary shares and (ii) the holders of the ADSs. Ordinary shares underlying the ADSs are held in Hong Kong by the custodian, Deutsche Bank AG, Hong Kong Branch, on behalf of Deutsche Bank Trust Company Americas as depositary, and holders of ADSs will not be treated as holders of ordinary shares.

Description of Ordinary Shares

The following is a summary of material provisions of our currently effective amended and restated memorandum and articles of association (the "Memorandum and Articles of Association"), as well as the Companies Act (as amended) of the Cayman Islands (hereinafter the "Companies Act"), insofar as they relate to the material terms of the ordinary shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire Memorandum and Articles of Association, which has been filed with the Securities and Exchange Commission (the "SEC") as an exhibit to our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178) filed with the SEC on April 11, 2017.

Type and Class of Securities

Each ordinary share has US$0.01 par value. The respective number of ordinary shares that have been issued as of the last day of the financial year for the annual report on Form 20-F to which this description is attached or incorporated by reference as an exhibit is provided on the cover page of such annual report on Form 20-F.

Rights of Ordinary Shares

General

All of our outstanding ordinary shares are fully paid and non-assessable. Some of the ordinary shares are issued in registered form only with no share certificates. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Under article 3 of our Memorandum and Articles of Association, the objects for which we were established are unrestricted and we have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Act and our Memorandum and Articles of Association. Our Memorandum and Articles of Association do not provide a time limit after which a shareholder's entitlement to an unclaimed dividend lapses.

Voting Rights

Each ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by our chairman or one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 10 % of the paid up voting share capital of our company.

A quorum required for a meeting of shareholders consists of one or more shareholders who hold at least one-third of our ordinary shares at the meeting present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Shareholders' meetings are held annually and may be convened by our board on its own initiative or upon a request to the directors by shareholders holding in aggregate at least ten percent of our ordinary shares. Advance notice of at least seven days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of not less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution will be required for important matters such as changing our name or making changes to our Memorandum and Articles of Association.

Transfer of Ordinary Shares

Subject to the restrictions of our Memorandum and Articles of Association, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board.

Our board may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates, and such other evidence as our board may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required; or
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

If our directors refuse to register a transfer they must, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the register closed at such times and for such periods as our board may from time to time determine, provided, however, that the registration of transfers may not be suspended nor the register closed for more than 30 days in any year.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares will be distributed among the holders of the ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 clear days prior to the specified time and place of payment. The ordinary shares that have been called upon and remain unpaid on the specified time are subject to forfeiture. Shareholders are not liable for any capital calls by the company except to the extent there is an amount unpaid on their shares.

Redemption of Ordinary Shares

Subject to the provisions of the Companies Act, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as the directors may determine.

Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration

Our Memorandum and Articles of Association prohibit anyone who is an unsuitable person or an affiliate of an unsuitable person from:

- receiving dividends or interest with regard to our shares;
- exercising voting or other rights conferred by our shares; and
- receiving any remuneration in any form from us or an affiliated company for services rendered or otherwise.

Such unsuitable person or its affiliate must sell all of the shares, or allow us to redeem or repurchase the shares on such terms and manner as the directors may determine and agree with the shareholders, within such period of time as specified by a gaming authority.

These prohibitions commence on the date that a gaming authority serves notice of a determination of unsuitability or our board determines that a person or its affiliate is unsuitable and continue until the securities are owned or controlled by persons found suitable by a gaming authority or our board, as applicable, to own them. An "unsuitable person" is any person who is determined by a gaming authority to be unsuitable to own or control any of our shares or who causes us or any affiliated company to lose or to be threatened with the loss of any gaming license, or who, in the sole discretion of our board, is deemed likely to jeopardize our or any of our affiliates' application for, receipt of approval for right to the use of, or entitlement to, any gaming license.

The terms "affiliated companies," "gaming authority" and "person" have the meanings set forth in our Memorandum and Articles of Association.

Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate

Our Memorandum and Articles of Association provide that shares owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable by us, out of funds legally available for that redemption, by appropriate action of our board to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable by our board having regard to relevant gaming laws. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price and the right to receive any dividends declared prior to any receipt of any written notice from a gaming authority declaring the suitable person to be an unsuitable person but not yet paid. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or, if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by our board. The price for the shares will not exceed the closing price per share of the shares on the principal national securities exchange on which the shares are then listed on the trading date on the day before the redemption notice is given. If the shares are not then listed, the redemption price will not exceed the closing sales price of the shares as quoted on an automated quotation system, or if the closing price is not then reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. Our right of redemption is not exclusive of any other rights that we may have or later acquire under any agreement, its bylaws or otherwise. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as we elect.

Our Memorandum and Articles of Association require any unsuitable person and any affiliate of an unsuitable person to indemnify us and our affiliated companies for any and all losses, costs and expenses, including attorneys' fees, incurred by us and our subsidiaries as a result of the unsuitable person's or affiliate's ownership or control of shares, the neglect, refusal or other failure to comply with the provisions of our Memorandum and Articles of Association relating to unsuitable persons, or failure to promptly divest itself of any shares in us.

Requirements to Change the Rights of Holders of Ordinary Shares

Variations of Rights of Shares. All or any of the rights attached to any class of shares may, subject to the provisions of the Companies Act, be varied or abrogated either with the unanimous written consent of the holders of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Changes in Capital

We may from time to time by ordinary resolution:

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution may prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- sub-divide our existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

We may by special resolution reduce our share capital and any capital redemption reserve in any manner authorized by law.

Exempted Company

We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- annual reporting requirements are minimal and consist mainly of a statement that the company has conducted its operations mainly outside of the Cayman Islands and has complied with the provisions of the Companies Act;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Differences in Corporate Law

The Companies Act is modeled after that of England and Wales but does not follow recent statutory enactments in England. In addition, the Companies Act differs from laws applicable to Delaware corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to Delaware corporations and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) a "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (i) a special resolution of the shareholders of each constituent company, and (ii) such other authorization, if any, as may be specified in such constituent company's articles of association

A merger between a parent company incorporated in the Cayman Islands and its subsidiary or subsidiaries incorporated in the Cayman Islands does not require authorization by a resolution of shareholders of the constituent companies provided a copy of the plan of merger is given to every shareholder of each subsidiary company to be merged unless that shareholder agrees otherwise. For this purpose, a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The plan of merger or consolidation must be filed with the Registrar of Companies in the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger and consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares if they follow the required procedures, subject to certain exceptions. The fair value of the shares will be determined by the Cayman Islands court if it cannot be agreed among the parties. Court approval is not required for a merger or consolidation effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands.

While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a take-over offer is made and accepted by holders of not less than 90% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. Derivative actions have been brought in the Cayman Islands courts. In most cases, the company will be the proper plaintiff in any claim based on a breach of duty owed to it, and a claim against (for example) the company's officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components, the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director must act in a manner he or she reasonably believes to be in the best interests of the corporation. A director must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company, and therefore it is considered that he or she owes the following duties to the company: a duty to act bona fide in the best interests of the company, a duty not to make a profit out of his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, there are indications that the courts are moving towards an objective standard with regard to the required skill and care.

Under our Memorandum and Articles of Association, directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with our company must declare the nature of their interest at a meeting of the board of directors. Following such declaration, a director may vote in respect of any contract or proposed contract notwithstanding his or her interest.

Shareholder Action by Written Resolution. Under the Delaware General Corporation Law, a corporation's certificate of incorporation may eliminate the right of stockholders to act by written consent. Our Memorandum and Articles of Association allow shareholders to act by written resolutions.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled for a single director, which increases the shareholder's voting interest with respect to electing such director. As permitted under Cayman Islands law, our Memorandum and Articles of Association do not provide for cumulative voting.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, directors can be removed by special resolution of the shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions entered into must be bona fide in the best interests of the company, for a proper corporate purpose and not with the effect of perpetrating a fraud on the minority shareholders.

Dissolution and Winding Up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting interest of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. The Delaware General Corporation Law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under our Memorandum and Articles of Association, a resolution that our company be wound up by the court or be wound up voluntarily shall be a special resolution, except where the company is to be wound up voluntarily because it is unable to pay its debts as they may fall due in which event the resolution shall be an ordinary resolution.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our Memorandum and Articles of Association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the unanimous consent in writing of the holders of the issued shares of the relevant class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of such class by a majority of two-thirds of the votes cast at such a meeting.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Our Memorandum and Articles of Association may be amended by a special resolution of shareholders.

Inspection of Books and Records. Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records. Holders of our shares have no general right under Cayman Islands law, nor any right under our Memorandum and Articles of Association, to inspect or obtain copies of our register of members or our corporate records. However, we intend to provide our shareholders with annual reports containing audited financial statements.

Anti-Takeover Provisions in our Memorandum and Articles of Association. Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders. Such shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue these preference shares, the price of our ordinary shares may fall and the voting and other rights of the holders of our ordinary shares may be materially and adversely affected. However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Rights of Non-Resident or Foreign Shareholders. There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Description of American Depositary Shares

For information regarding our ADSs, please refer to the Description of American Depositary Shares (incorporated by reference to our registration statement on Form F-3 (File No. 333-215100), as amended, initially filed with the SEC on December 14, 2016).

Exhibit 2.32

Execution Version

STUDIO CITY FINANCE LIMITED,

as Company

THE SUBSIDIARY GUARANTORS PARTIES HERETO,

6.000% SENIOR NOTES DUE 2025

INDENTURE

July 15, 2020

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Trustee, Paying Agent, Registrar and Transfer Agent

and

THE OTHER PERSONS FROM TIME TO TIME PARTY HERETO

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EXHIBITS

INDENTURE dated as of July 15, 2020 among Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands with company number 1673307 (the "*Company*"), the Subsidiary Guarantors named herein (the "*Subsidiary Guarantors*") and Deutsche Bank Trust Company Americas, a New York banking corporation as Trustee, Paying Agent, Registrar and Transfer Agent.

Each party agrees as follows for the benefit of each other and for the other parties hereto and for the equal and ratable benefit of the Holders (as defined herein) of the 6.000% Senior Notes due 2025 (the "*Notes*"):

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions.*

"*144A Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, that will be issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Notes*" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 and Section 4.09 hereof, as part of the same series as the Initial Notes; *provided that* any Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued Notes, but shall otherwise be treated as a single class with all other Notes issued under this Indenture.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided that* beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Agent*" means any Registrar, co-registrar, Paying Agent, Transfer Agent or additional paying agents or transfer agents.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

1. 1.0% of the principal amount of the Note; or
2. the excess of:
   (a) the present value at such redemption date of (i) the redemption price of the Note at July 15, 2022, plus (ii) all required interest payments due on the Note through July 15, 2022 (such redemption price being set forth in the table appearing in Section 3.07 hereof) plus (ii) all required interest payments due on the Note through July 15, 2022 (excluding accrued but unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note, if greater,

as calculated by the Company or on behalf of the Company by such Person as the Company may engage. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Paying Agent, the Transfer Agent, or the Registrar.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream, Luxembourg that apply to such transfer or exchange.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided that* the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of this Indenture described in Section 4.15 hereof and/or the provisions described in Section 5.01 hereof and not by the provisions of Section 4.10hereof;

(2) the issuance of Equity Interests in any of the Restricted Subsidiaries of the Company or the sale of Equity Interests in any of the Company's Subsidiaries; and

(3) any Event of Loss.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US$5.0 million;

(2) a transfer of assets between or among the Company and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or a Restricted Subsidiary of the Company;

(4) the sale, license, transfer, lease (including the right to use) or other disposal of products, services, rights, accounts receivable, undertakings, establishments or other current assets or cessation of any undertaking or establishment in the ordinary course of business (including pursuant to any shared services agreements (including the MSA), Revenue Sharing Agreement or any construction and development activities) and any sale or other disposition of damaged, worn-out, surplus or obsolete assets (or the dissolution of any Dormant Subsidiary) in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) any transfer, termination or unwinding or other disposition of Hedging Obligations in the ordinary course of business;

(7) a transaction covered under Section 5.01 or Section 4.15;

(8) the lease of, right to use or equivalent interest under Macau law on that portion of real property granted to Studio City Developments Limited pursuant to the applicable land concession granted by the government of the Macau SAR in connection with the development of the Phase II Project in accordance with such applicable land concession;

(9) a Restricted Payment that does not violate the provisions of Section 4.07 hereof or a Permitted Investment, and any other payment under the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and any transactions or arrangements involving contractual rights under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof;

(10) the (i) lease, sublease, license or right to use of any portion of the Property to persons who, either directly or through Affiliates of such persons, intend to develop, operate or manage gaming, hotel, nightclubs, bars, restaurants, malls, amusements, attractions, recreation, spa, pool, exercise or gym facilities, or entertainment facilities or venues or retail shops or venues or similar or related establishments or facilities within the Property and (ii) the grant of declarations of covenants, conditions and restrictions and/or easements or other rights to use with respect to common area spaces and similar instruments benefiting such tenants of such lease, subleases licenses and rights to use generally and/or entered into connection with the Property (collectively, the "*Venue Easements*"); *provided that* no Venue Easements or operations conducted pursuant thereto would reasonably be expected to materially interfere with, or materially impair or detract from, the operation of the Property;

(11) the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development, construction and operation of the Property; *provided*, that in each case such dedication or other disposition is in furtherance of, and does not materially impair or interfere with the use or operations (or intended use or operations) of, the Property;

(12) the granting of easements, rights of way, rights of access and/or similar rights to any governmental authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to the Property, the real property held by the Company or a Restricted Subsidiary of the Company or the public at large that would not reasonably be expected to interfere in any material respect with the construction, development or operation of the Property;

(13) the granting of a lease, right to use or equivalent interest to Melco Resorts Macau or Melco Resorts or any of its Affiliates for purposes of operating a gaming facility at Studio City, including under the Services and Right to Use Agreement and any related agreements, or any transactions or arrangements contemplated thereby;

(14) the grant of licenses to intellectual property rights to third Persons (other than Affiliates of the Company or any Restricted Subsidiary of the Company) on an arm's length basis in the ordinary course of business or to Melco Resorts Macau, Melco Resorts and its Affiliates in the ordinary course of business;

(15) transfers, assignments or dispositions constituting an Incurrence of a Permitted Lien (but not the actual sale or other disposition of the property subject to such Lien); and

(16) any surrender or waiver of contractual rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business.

"*Bankruptcy Law*" means (i) the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors, (ii) the provisions of the Code of Civil Procedure of Macau that deal with the placement of a debtor into liquidation, the administration and disposal of its assets, the distribution of the proceeds thereof and the alternatives to such liquidation, or any laws of similar effect, and (iii) those laws included, principally within (but not limited to) the BVI Business Companies Act, 2004 (as amended) and the Insolvency Act, 2007 (as amended) concerning the solvency and insolvency of BVI companies.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a finance or capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with U.S. GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided that* the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(2) demand deposits, certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any commercial bank organized under the laws of Macau, Hong Kong, a member state of the European Union or of the United States of America or any state thereof having capital and surplus in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or "A-" or higher by S&P or the equivalent rating category or another internationally recognized rating agency;

(3) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within 12 months after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Casualty*" means any casualty, loss, damage, destruction or other similar loss with respect to real or personal property or improvements.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) (other than Melco Resorts or a Related Party of Melco Resorts);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(3) the first day on which:

(A) Melco Resorts ceases to own, directly or indirectly, (i) a majority, or (ii) if Melco Resorts is authorized by the relevant Gaming Authority or is otherwise permitted to hold less than 50.1% of Equity Interest in Studio City International, the greater of (x) such lesser percentage and (y) 35%, of the outstanding Equity Interests and/or Voting Stock of each of the Company and Studio City Holdings Five Limited (or any Person which becomes a "Golden Shareholder" and/or a "Preference Holder" under the Direct Agreement pursuant to the terms thereof, if any);

(B) Melco Resorts ceases to own, directly or indirectly, less than 50.1% of Equity Interest in Melco Resorts Macau (or another operator of the Studio City Casino); or

(C) Melco Resorts ceases to have, directly or indirectly (through a Subsidiary), the power to nominate a number of directors on the Board of Directors of the Company who are entitled to cast a majority of the votes which may be cast at a meeting of the Board of Directors of the Company.

"*Clearstream, Luxembourg*" means Clearstream Banking S.A.

"*Company*" means Studio City Finance Limited, and any and all successors thereto.

"*Condemnation*" means any taking by a Governmental Authority of assets or property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with U.S. GAAP; *provided that*:

(1) the Net Income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary that is not a Subsidiary Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders *provided, however,* that Consolidated Net Income of the specified Person will be increased by the amount of dividends or similar contributions actually paid in cash (or to the extent converted into cash) to the specified Person or any of its Restricted Subsidiaries that is a Subsidiary Guarantor, to the extent not already included therein;

(3) the cumulative effect of a change in accounting principles will be excluded; and

(4) charges or expenses related to deferred financing fees and Indebtedness issuance costs, including related commissions, fees and expenses, premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, extinguishment, repurchase, cancellation or forgiveness of Indebtedness will be excluded.

"*Corporate Trust Office of the Trustee*" means the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Company.

"*Credit Facilities*" means one or more debt facilities, indentures or commercial paper facilities, in each case, with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or other forms of Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to investors) in whole or in part from time to time.

"*Credit Facilities Documents*" means the collective reference to any Credit Facilities, any notes issued pursuant thereto and the guarantees thereof, and the collateral or other documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"*Custodian*" means Deutsche Bank Trust Company Americas, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Direct Agreement*" means the direct agreement dated November 26, 2013, in relation to (a) the Services and Right to Use Agreement and (b) the Reinvestment Agreement.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Company may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Dormant Subsidiary*" means a Restricted Subsidiary of the Company which does not trade (for itself or as agent for any other person) and does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(4) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period), of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(5) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; *plus*

(6) Pre-Opening Expenses, to the extent such expense were deducted in computing Consolidated Net Income; *plus*

(7) any goodwill or other intangible asset impairment charge; *plus*

(8) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with U.S. GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Company will be added to Consolidated Net Income to compute EBITDA of the Company only to the extent that a corresponding amount was included in the calculation of Consolidated Net Income.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Company or (2) a direct or indirect parent of the Company to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Company (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"*Euroclear*" means Euroclear Bank SA/NV.

"*Event of Loss*" means, with respect to the Company, any Subsidiary Guarantor or any Restricted Subsidiary of the Company that is a Significant Subsidiary, any (1) Casualty, (2) Condemnation or seizure (other than pursuant to foreclosure) or (3) settlement in lieu of clause (2) above, in each case having a fair market value in excess of US$20.0 million.

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the Company subsequent to the Issue Date from:

(1) contributions to its common equity capital; and

(2) the issuance or sale (other than to a Subsidiary of the Company or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) by the Company of shares of its Capital Stock (other than Disqualified Stock) or a share capital increase;

in each case, designated as Excluded Contributions on the date on which such Excluded Contributions were received pursuant to an Officer's Certificate, and excluded from the calculation set forth in Section 4.07(a)(4)(C)(ii) hereof.

"*Excluded Subsidiary*" means a Restricted Subsidiary of the Company which (a) is incorporated solely for the purpose of complying with the requirements of the government of Macau in connection with the conduct of the Permitted Business by the Company and its Restricted Subsidiaries, and (b) does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*Existing Studio City Company Notes*" means the US$850,000,000 7.250% Senior Secured Notes due 2021 of Studio City Company Limited outstanding on the Issue Date.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Indenture).

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (in accordance with Regulation S-X under the Securities Act) as if they had occurred on the first day of the four-quarter reference period;

(2) the EBITDA attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the Obligations giving rise to such Fixed Charges will not be Obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not (i) debt issuance costs, commissions, fees and expenses or (ii) amortization of discount on the Intercompany Note Proceeds Loans), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than Indebtedness secured by a Lien of the type specified in clause (22) of the definition of "Permitted Liens"), whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of such Person (other than Disqualified Stock) or to such Person or a Restricted Subsidiary of such Person, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with U.S. GAAP.

"*Gaming Authorities*" means the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates), or (iii) of the Company or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities (i) at Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates), or (iii) of the Company or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming Licenses*" means any concession, subconcession, license, permit, franchise or other authorization at any time required under any Gaming Laws to own, lease, operate or otherwise conduct the gaming business (i) at Studio City Casino or (ii) of Melco Resorts Macau.

"*Global Note Legend*" means the legend set forth in Section 2.06(f)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Section 2.01, 2.06(b)(3), 2.06(b)(4), and with Section 2.06(d)(2) or 2.06(f) hereof.

"*Governmental Authority*" means the government of the Macau SAR or any other territory, nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep- well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Note is registered.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to U.S. GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Restricted Subsidiary of the Company shall be deemed to be Incurred at the time at which such Person becomes a Restricted Subsidiary of the Company. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.S. GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), (ii) obligations of the Company or a Restricted Subsidiary of the Company to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Company or any of its Restricted Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided that*, in each case of clause (i) and (ii), such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet), or (iii) any lease of property which would be considered an operating lease under U.S. GAAP and any guarantee given by the Company or a Restricted Subsidiary in the ordinary course of business solely in connection with, or in respect of, the obligations of the Company or a Restricted Subsidiary under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with U.S. GAAP;

(B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) that the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Independent Financial Advisor*" means accounting, appraisal or investment banking firm of international standing.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the first US$500,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"*Initial Purchasers*" means Deutsche Bank AG, Singapore Branch or Australia, New Zealand Banking Group Limited, Bank of Communications Co., Ltd. Macau Branch, BOC Asia Limited, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities USA LLC.

"*Intercompany Note Proceeds Loans*" means the one or more intercompany loans between the Company and its Subsidiaries pursuant to which the Company on-lends to its Subsidiaries the net proceeds from the issuance of the Notes in accordance with the terms of the definitive documents with respect to the Notes, as amended from time to time, including in connection with any extension, additional issuance or refinancing thereof.

"*Investment Grade Status*" shall apply at any time the Notes receive (i) a rating equal to or higher than BBB- (or the equivalent) from S&P and (ii) a rating equal to or higher than Baa3 (or the equivalent) from Moody's.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.S. GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of Section 4.07 hereof. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Issue Date*" means the date on which the Notes (other than any Additional Notes) are originally issued.

"*Land Concession*" means the land concession by way of lease, for a period of 25 years, subject to renewal as of October 17, 2001 for a plot of land situated in Cotai, Macau, described with the Macau Immovable Property Registry under No. 23059 and registered in Studio City Developments Limited's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of October 9, 2001, published in the Macau Official Gazette no. 42 of October 17, 2001, as amended by Dispatch of the Secretary for Public Works and Transportation no. 31/2012 of July 19, 2012, published in the Macau Official Gazette no. 30 of July 25, 2012, and by Dispatch of Secretary for Public Works and Transportation no. 92/2015 of September 10, 2015, published in the Macau Official Gazette no. 38 of September 23, 2015 and including any other amendments from time to time to such land concession.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, New York, Hong Kong, Macau, the British Virgin Islands or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"*Measurement Date*" means February 11, 2019.

"*Melco Resorts*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Melco Resorts Macau*" means Melco Resorts (Macau) Limited, a Macau company.

"*Melco Resorts Parties*" means COD Resorts Limited, Altira Resorts Limited, Melco Resorts (Macau) Limited, MPEL Services Limited, Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Resorts Security Services Limited, Melco Resorts Travel Limited, MCE Transportation Limited, MCE Transportation Two Limited and any other Person which accedes to the MSA as a "*Melco Crown Party*" pursuant to terms thereof; and a "*Melco Resorts Party*" means any of them.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*MSA*" means the master services agreement dated December 21, 2015, including any work agreements entered into pursuant to the master services agreement, entered into between the Studio City Parties on the one part and the Melco Resorts Parties on the other part, as amended, modified, supplemented, extended, replaced or renewed from time to time, and any other master services agreement or equivalent agreement or contract, including any work agreements entered into pursuant to any such master services agreement, in each case entered into in connection with the conduct of Permitted Business and on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in an arm's length commercial transaction, as amended, modified, supplemented, extended, replaced or renewed from time to time.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with U.S. GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment, repurchase or cancellation of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.S. GAAP.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender, other than, in the case of (a) and (b), Indebtedness incurred pursuant to Section 4.09(b)(15) hereof; and

(2) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than to the Equity Interests of any Unrestricted Subsidiary).

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Note Guarantee*" means the Guarantee by each Subsidiary Guarantor of the Company's Obligations under this Indenture and the Notes.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated July 8, 2020 in respect of the Notes.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Property Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company or any Directors of the Board or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company which meets the requirements of Section 13.05 hereof.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, Luxembourg, a Person who has an account with the Depositary, Euroclear or Clearstream, Luxembourg, respectively (and, with respect to DTC, shall include Euroclear and Clearstream, Luxembourg).

"*Permitted Business*" means (1) any businesses, services or activities engaged in by the Company or any of its Restricted Subsidiaries on the Issue Date, including, without limitation, the construction, development and operation of the Property, (2) any gaming, hotel, accommodation, hospitality, transport, tourism, resort, food and beverage, retail, entertainment, cinema / cinematic venue, audio-visual production (including provision of sound stage, recording studio and similar facilities), performance, cultural or related business, development, project, undertaking or venture of any kind in the Macau SAR, and (3) any other businesses, services, activities or undertaking that are necessary for, supportive of, or connected, related, complementary, incidental, ancillary or similar to, any of the foregoing or are extensions or developments of any thereof (including in support of the businesses, services, activities and undertakings of the Melco Resorts group as a whole or any member thereof including through participation in shared and centralized services and activities).

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary of the Company; or

(B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;

(5) any acquisition of assets or Capital Stock in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees, officers, or directors made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed US$2.0 million at any one time outstanding;

(9) repurchases of the Notes;

(10) any Investments consisting of gaming credit extended to customers and junket operators in the ordinary course of business and consistent with applicable law and any Investments made or deemed to be made in connection with or through any transactions or arrangements involving contractual rights under, pursuant to or in connection with (i) the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and (ii) any transaction or arrangements made pursuant to clause (10) of the definition of "Asset Sale", including any amendments, modifications, supplements, extensions, replacements, terminations or renewals;

(11) advances to contractors and suppliers and accounts, trade and notes receivables created or acquired in the ordinary course of business;

(12) receivables owing to the Company or any of its Restricted Subsidiaries if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(13) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided that* the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(14) Investments in prepaid expenses, negotiable instruments held for collection, deposits made in connection with self-insurance, and performance and other similar deposits and prepayments made in connection with an acquisition of assets or property in the ordinary course of business by the Company or any Restricted Subsidiary of the Company;

(15) deposits made by the Company or any Restricted Subsidiary of the Company in the ordinary course of business to comply with statutory or regulatory obligations (including land grants) to maintain deposits for the purposes specified by the applicable statute or regulation (including land grants) from time to time;

(16) any Investment consisting of a Guarantee permitted by Section 4.09 hereof and performance guarantees that do not constitute Indebtedness entered into by the Company or any Restricted Subsidiary of the Company in the ordinary course of business;

(17) to the extent constituting an Investment, licenses of intellectual property rights granted by the Company or any Restricted Subsidiary of the Company in the ordinary course of business; *provided*, that such grant does not interfere in any material respect with the ordinary conduct of the business of such Person;

(18) Investments consisting of purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(19) Investments held by a Person that becomes a Restricted Subsidiary of the Company; *provided*, *however*, that such Investments were not acquired in contemplation of the acquisition of such Person;

(20) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(21) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens";

(22) Investments (other than Permitted Investments) made with Excluded Contributions; *provided*, *however*, that any amount of Excluded Contributions made will not be included in the calculation of Section 4.07(a)(4)(C)(ii) hereof;

(23) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons; and

(24) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (24) under the Indenture that are at the time outstanding not to exceed US$5.0 million.

"*Permitted Liens*" means:

(1) Liens to secure Indebtedness permitted by Section 4.09(b)(1)(i)(x) and Section 4.09(b)(3)(a) hereof;

(2) Liens created for the benefit of (or to secure) the Notes (including any Additional Notes) or the Note Guarantees;

(3) Liens in favor of the Company or the Subsidiary Guarantors;

(4) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Subsidiary of the Company; *provided that* such Liens were not created in connection with, or in contemplation of, such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(5) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; *provided that* such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;

(6) Liens incurred or deposits made in the ordinary course of business in connection with workmen's compensation or employment obligations or other obligations of a like nature, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by Section 4.09(b)(4) covering only the assets acquired with or financed by such Indebtedness and directly related assets such as proceeds (including insurance proceeds), improvements, replacements and substitutions thereto;

(8) Liens existing on the Issue Date;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with U.S. GAAP has been made therefor;

(10) Liens imposed by law, such as carriers, warehousemen's, landlord's, suppliers' and mechanics' Liens, in each case, incurred in the ordinary course of business;

(11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under this Indenture; *provided*, *however,* that:

(A) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under this Indenture, secured by a Lien on the same assets or property securing such Hedging Obligations;

(14) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the money borrowed, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(15) Liens arising out of judgments against such Person not giving rise to an Event of Default, with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, *provided that* any reserve or other appropriate provision as shall be required in conformity with U.S. GAAP shall have been made therefor;

(16) Liens granted to the Trustee for its compensation and indemnities pursuant to this Indenture;

(17) Liens arising out of or in connection with licenses, sublicenses, leases (other than capital leases) and subleases (including rights to use) of assets (including, without limitation, intellectual property) entered into in the ordinary course of business;

(18) Liens upon specific items of inventory or other goods and proceeds of the Company or any of its Restricted Subsidiaries securing obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangement for the sale of goods in the ordinary course of business;

(20) Liens arising under customary provisions limiting the disposition or distribution of assets or property or any related restrictions thereon in operating agreements, joint venture agreements, partnership agreements, contracts for sale and other agreements arising in the ordinary course of business; *provided, that* such Liens do not extend to any assets of the Company or any of its Restricted Subsidiaries other than the assets subject to such agreements or contracts;

(21) Liens on deposits made in the ordinary course of business to secure liability to insurance carriers;

(22) Liens on the Equity Interests of Unrestricted Subsidiaries;

(23) Liens created or Incurred under, pursuant to or in connection with the Services and Right to Use Agreement or the Reinvestment Agreement, including Liens on any revenues or receipts thereunder or any accounts created or maintained thereunder;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries of the Company securing obligations of such joint ventures;

(25) Liens securing Indebtedness Incurred pursuant to Section 4.09(b)(17) hereof;

(26) Liens incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to Obligations that do not exceed US$5.0 million at any one time outstanding; and

(27) Liens securing obligations under a debt service reserve account or interest reserve account (including all dividends, instruments, cash and Cash Equivalents and other property, as applicable, on deposit in such account) established for the benefit of creditors securing Indebtedness to the extent such debt service reserve account or interest reserve account is established in the ordinary course of business consistent with past practice.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided that*:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes and the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is Incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Phase I*" means the approximately 477,110 gross square-meter complex on the Site which contains retail, hotel, gaming, entertainment, food and beverage outlets and entertainment studios and other facilities.

"*Phase II Project*" means the development of the remainder of the Site, which is expected to include one or more types of Permitted Business and will be developed in accordance with the applicable governmental requirements regarding the Site.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"*Pre-Opening Expenses*" means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred with respect to capital projects that are classified as "pre-opening expenses" on the applicable financial statements of the Company and its Restricted Subsidiaries for such period, prepared in accordance with U.S. GAAP.

"*Private Placement Legend*" means the legend set forth in Section 2.06(f)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*Property*" means Phase I and the Phase II Project.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

"*Reinvestment Agreement*" means the reimbursement agreement dated June 15, 2012, between Melco Resorts Macau and Studio City Entertainment Limited, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part from time to time, including pursuant to the Direct Agreement.

"*Related Party*" means*:*

(1) any controlling stockholder or majority-owned Subsidiary of Melco Resorts; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding at least 50.1% interest of which consist of Melco Resorts and/or such other Persons referred to in the immediately preceding clause (1).

"*Responsible Officer*," when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revenue Sharing Agreement*" means any joint venture, development, management, operating or similar agreement or arrangement for the sharing of revenues, profits, losses, costs or expenses entered into in connection with developments or services complementary or ancillary to the Property in the ordinary course of business (including, for the avoidance of doubt, such agreements or arrangements reasonably necessary to conduct a Permitted Business) and on arms' length terms.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*S&P*" means S&P Global Ratings or any successor to the rating agency business thereof.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act* " means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Secured Credit Facilities*" means the amended and restated senior secured credit facilities dated November 30, 2016 among Studio City Company Limited, the guarantors named therein, the financial institutions named as lenders therein and the agent for such lenders, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such facilities may be amended, restated, modified, renewed, supplemented, replaced or refinanced from time to time.

"*Services and Right to Use Agreement*" means the services and right to use agreement originally dated May 11, 2007 and as amended and restated on June 15, 2012, executed with Studio City Entertainment Limited (formerly named MSC Diversões, Limitada and New Cotai Entertainment (Macau) Limited), a wholly owned indirect subsidiary of the Company, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part from time to time, including pursuant to the Direct Agreement.

"*SGX-ST*" means the Singapore Exchange Securities Trading Limited or its successor.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent holding company of the Company (or Melco Resorts), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Shareholder Subordinated Debt; *provided that* such Shareholder Subordinated Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien on any assets of the Company or a Restricted Subsidiary of the Company and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Company with its obligations under the Notes, the Note Guarantees, and this Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Site*" means an approximately 130,789 square meter parcel of land in the reclaimed area between Taipa and Coloane Island (Cotai), Lotes G300, G310 and G400, registered with the Macau Real Estate Registry under no. 23059.

"*Special Put Option Triggering Event*" means:

(1) any event after which the Gaming License or other permits or authorizations as are necessary for the operation of the Studio City Casino in substantially the same manner and scope as operations are conducted at the Issue Date cease to be in full force and effect, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole; or

(2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; *provided that* such renewal, tender or other process results in the granting or renewal of the relevant Gaming License.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Studio City Casino*" means any casino, gaming business or activities conducted at the Site.

"*Studio City International*" means Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Studio City Parties*" means Studio City International, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Retail Services Limited, Studio City Developments Limited, Studio City Ventures Limited, Studio City Services Limited and any other Person which accedes to the MSA as a "Studio City Party" pursuant to terms thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Company, any Indebtedness of the Company which is by its terms subordinated in right of payment to the Notes, and (b) with respect to any Subsidiary Guarantor, any Indebtedness of such Subsidiary Guarantor which is by its terms subordinated in right of payment to such Subsidiary Guarantor's Obligations in respect of its Note Guarantee.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantor*" means each of (1) Studio City Investments Limited, Studio City Company Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCIP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City (HK) Two Limited and (2) any other Subsidiary of the Company that provides a Note Guarantee in accordance with the provisions of this Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

"*Total Assets*" means, as of any date, the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with U.S. GAAP as shown on the most recent balance sheet of such Person.

"*Transactions*" means the offering of the Notes and the offer to purchase and/or redemption, as the case may be, of the Existing Studio City Company Notes as described in the Offering Memorandum.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to July 15, 2022; provided, however, that if the period from the redemption date to July 15, 2022 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trustee*" means Deutsche Bank Trust Company Americas until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*Unrestricted Definitive Note*" means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Global Note*" means a Global Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 4.11 hereof, is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

"*U.S. GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*U.S. Government Obligations*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided that* (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*U.S. Person*" means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly-Owned Restricted Subsidiary*" is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

Section 1.02 *Other Definitions.*

Term	Defined in Section
"*Additional Amounts*"	2.13
"*Affiliate Transaction*"	4.11
"*Asset Sale Offer*"	3.09
"*Authentication Order*"	2.02
"*Change of Control Offer*"	4.15
"*Change of Control Payment*"	4.15
"*Change of Control Payment Date*"	4.15
"*Covenant Defeasance*"	8.03
"*Designated Subsidiary Guarantor Enforcement Sale*"	11.08
"*direct parent companies*"	4.20
"*DTC*"	2.03
"*Event of Default*"	6.01
"*Excess Proceeds*"	4.10
"*Guaranteed Obligations*"	11.01
"*Legal Defeasance*"	8.02
"*Offer Amount*"	3.09
"*Offer Period*"	3.09
"*Paying Agent*"	2.03
"*Permitted Debt*"	4.09
"*Payment Default*"	6.01
"*Purchase Date*"	3.09
"*Redemption Date*"	3.07
"*Registrar*"	2.03
"*Relevant Jurisdiction*"	2.13
"*Restricted Payments*"	4.07
"*Reversion Date*"	4.21
"Special Put Option Offer"	4.21
"Special Put Option Payment"	4.21
"*Suspended Covenants*"	4.21
"*Suspension Period*"	4.21
"*Taxes*"	2.13

Section 1.03 *Rules of Construction.*

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating.*

(a) *General*. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Subsidiary Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Paying Agent, Trustee or the Registrar, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Euroclear and Clearstream, Luxembourg Procedures Applicable.* The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions—Clearstream Banking, Luxembourg" and "Customer Handbook" of Clearstream, Luxembourg will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream, Luxembourg.

Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual or electronic signature of the Trustee.

The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Company may issue additional notes under the Indenture from time to time after the Issue Date. Any issuance of Additional Notes shall be subject to all of the covenants described under Article 4 of this Indenture, including Section 4.09 hereof. The Notes and any Additional Notes subsequently issued under this Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided*, *however* if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will have a separate CUSIP, ISIN or other identifying number.

The Trustee will, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Company pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 *Registrar, Paying Agent and Transfer Agent.*

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment ("*Paying Agent*"). The Company will also maintain a transfer agent (the "*Transfer Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Transfer Agent shall perform the functions of a transfer agent. The Company may appoint one or more co-registrars, one or more additional transfer agents and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent, the Transfer Agent or Registrar without notice to any Holder and shall so notify the Trustee and each Paying Agent thereof in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints Deutsche Bank Trust Company Americas to act as the Registrar, Transfer Agent and Paying Agent and to act as Custodian, with respect to the Global Notes.

Section 2.04 *Paying Agent to Hold Money in Trust.*

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Amounts, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 *Holder Lists.*

The Registrar will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to the paragraph above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to the paragraph above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any Holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A Holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any Holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (1)(B), (1)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (C) below, each 144A Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

IF AT ANY TIME THE COMPANY DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THIS SECURITY OR BENEFICIAL INTERESTS HEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE, THE COMPANY SHALL REQUIRE SUCH HOLDER TO TRANSFER THIS SECURITY (OR INTEREST HEREIN) TO A TRANSFEREE ACCEPTABLE TO THE COMPANY WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE INDENTURE. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF THIS SECURITY (OR INTEREST HEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE SECURITY, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE SECURITY EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWNACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(B) Except as permitted by subparagraph (C) below, each Regulation S Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWNACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTYOF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(C) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such increase.

(h) General Provisions Relating to Transfers and Exchanges.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.06, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronic mail (in pdf format).

Section 2.07 *Replacement Notes.*

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Note, including but not limited to the reasonable expenses of counsel and any tax that may be imposed with respect to replacement of such Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, in accordance with this Indenture, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any Subsidiary Guarantor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Subsidiary Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee actually knows are so owned will be so disregarded.

Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation.*

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, in accordance with its customary procedures, and no one else will cancel (subject to the Trustee’s retention policy) all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will dispose of such cancelled Notes in its customary manner (subject to the record retention requirement of the Exchange Act). At the request of the company, the Trustee will confirm the cancellation of the Notes delivered to it. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 *Defaulted Interest.*

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; *provided that* no such special record date may be less than ten (10) days prior to the related payment date for such defaulted interest. At least fifteen (15) days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 *Additional Amounts.*

(a) All payments of principal of, premium, if any, and interest on the Notes and all payments under the Note Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever ("*Taxes*") nature imposed or levied by or within any jurisdiction in which the Company or any applicable Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) or any jurisdiction from or through which payment is made by or on behalf of the Company or any Subsidiary Guarantor (including the jurisdiction of any Paying Agent) (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "*Relevant Jurisdiction*"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In such event, the Company or the applicable Subsidiary Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("*Additional Amounts*") as will result in receipt by the Holder of such amounts as would have been received by such holder had no such withholding or deduction been required, *provided that* no Additional Amounts will be payable for or on account of:

(1) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Note Guarantee, as the case may be, and the Relevant Jurisdiction including, without limitation, such holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, other than merely holding such Note or the receipt of payments thereunder or under the Note Guarantee;

(B) the presentation of such Note (where presentation is required) more than thirty (30) days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the failure of the holder or beneficial owner to comply with a timely request of the Company or any Subsidiary Guarantor addressed to the holder or beneficial owner, as the case may be, to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder; or

(D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(2) any estate, inheritance, gift, sale, transfer, excise or personal property or similar tax, assessment or other governmental charge;

(3) any tax, duty, assessment or other governmental charge which is payable other than (i) by deduction or withholding from payments of principal of or interest on the Note or payments under the Note Guarantees, or (ii) by direct payment by the Company or applicable Subsidiary Guarantor in respect of claims made against the Company or the applicable Subsidiary Guarantor;

(4) any tax arising pursuant to Sections 1471 - 1474 of the U.S. Internal Revenue Code of 1986, as amended, and any successor or amended version that is substantively comparable and not materially more onerous to comply with, any official interpretations thereof, current or future regulations or agreements entered pursuant thereto, any agreement entered pursuant thereto, any U.S. or non-U.S. law enacted in connection with an intergovernmental agreement related thereto, or any rules, regulations, or administrative guidance of any kind relating to any of the foregoing; or

(5) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (1), (2), (3) and (4); or

(b) with respect to any payment of the principal of, or premium, if any, or interest on, such Note or any payment under any Note Guarantee to such holder, if the holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the holder thereof.

In addition to the foregoing, the Company and the Subsidiary Guarantors will also pay and indemnify the holder of a Note for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and other reasonable expenses related thereto) which are levied by any Relevant Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any Note Guarantee or any other document or instrument referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes or any Note Guarantee. The Company and the Subsidiary Guarantors will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Jurisdiction imposing such taxes, in such form as provided in the ordinary course by the Relevant Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustees and the Paying Agent. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent. The Company or the Subsidiary Guarantor, as applicable, will attach to each certified copy a certificate stating (x) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding taxes paid per $1,000 principal amount of the Notes.

(c) Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note or under any Note Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Section 2.14 *Forced Sale or Redemption for Non-QIBs.*

(a) The Company has the right to require any Holder of a Note (or beneficial interest therein) that is a U.S. Person and is determined not to have been a QIB at the time of acquisition of such Note or is otherwise determined to be in breach, at the time given, of any of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, to transfer such Security (or beneficial interest therein) to a transferee acceptable to the Company who is able to and who does make all of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, or to redeem such Note (or beneficial interest therein) within 30 days of receipt of notice of the Company's election to so redeem such Holder's Notes on the terms set forth in paragraph (b) below. Pending such transfer or redemption, such Holder will be deemed not to be the Holder of such Note for any purpose, including but not limited to receipt of interest and principal payments on such Note, and such Holder will be deemed to have no interest whatsoever in such Note except as otherwise required to sell or redeem its interest therein.

(b) Any such redemption occurring pursuant to paragraph (a) above shall be at a redemption price equal to the lesser of (i) the Person's cost, plus accrued and unpaid interest, if any, to the redemption date and (ii) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. The Company shall notify the Trustee in writing of any such redemption as soon as practicable.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee.*

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, the Registrar and the Paying Agent, at least 30 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If fewer than all of the Notes are to be redeemed or purchased at any time, the Trustee, the Paying Agent or the Registrar will select Notes for redemption or purchase (i) in compliance with the requirements of the principal national securities exchange, if any, on which Notes are listed and any applicable Depositary procedures, (ii) by lot or such other similar method in accordance with the applicable procedures of the Depositary or any other applicable clearing system (if the Notes are Global Notes), or (iii) if there are no such requirements of such exchange or the Notes are not then listed on a national securities exchange or cleared through the Depositary or any other applicable clearing system, on a *pro rata* basis. No Notes of a principal amount of US$200,000 or less may be redeemed or purchased in part, and if Notes are redeemed or purchased in part, the remaining outstanding amount must be at least equal to US$200,000 and integral multiples of US$1,000 in excess thereof. None of the Trustee, the Paying Agent or the Registrar will be liable for any selections made under this paragraph.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Registrar from the outstanding Notes not previously called for redemption or purchase.

The Registrar will promptly notify the Company in writing of any Definitive Notes selected for redemption or purchase and, in the case of any such Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of US$200,000 or integral multiples of US$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of US$1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption.*

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date (with prior notice to the Trustee) if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Article 8 or 11 hereof.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note, *provided that* the unredeemed portion has a minimum denomination of US$200,000;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes;

(9) if applicable, any condition to such redemption; and

(10) if applicable, that payment of the redemption price and performance of the Company's obligations with respect to such redemption is to be performed by another Person and the identity of such other Person.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; *provided, however*, that the Company has delivered to the Trustee, at least three Business Days prior to the date that the notice of redemption is to be delivered to Holders, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 *Effect of Notice of Redemption.*

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become due and payable on the redemption date at the redemption price stated in such notice, provided, that any redemption pursuant to Paragraph 5 of the Notes may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

Section 3.05 *Deposit of Redemption or Purchase Price.*

No later than 10 a.m. New York time one Business Days prior to the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 *Notes Redeemed or Purchased in Part.*

In the case of Definitive Notes, upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption.*

(a) At any time prior to July 15, 2022, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 106.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that*:

(1) at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the Equity Offering.

(b) At any time prior to July 15, 2022, the Company may redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to satisfaction of one or more conditions precedent.

(c) Except pursuant to the two preceding paragraphs and the provisions under Section 3.10 and Section 3.11 hereof, the Notes will not be redeemable at the Company's option prior to July 15, 2022.

(d) On or after July 15, 2022, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after July 15, 2022	103.000%
Twelve-month period on or after July 15, 2023	101.500%
On or after July 15, 2024	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(e) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through Section 3.06 hereof and may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Section 3.08 *Mandatory Redemption.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase Notes as described in Section 4.15 and Section 4.10 hereof. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Section 3.09 *Offer to Purchase by Application of Excess Proceeds.*

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "*Asset Sale Offer*"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Offer Period*"). No later than five Business Days after the termination of the Offer Period (the "*Purchase Date*"), the Company will apply all Excess Proceeds (the "*Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest and Additional Amounts, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in integral multiples of US$200,000 and integral multiples of US$1,000 in excess thereof only;

(6) that Holders electing to have Notes purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased in accordance with Section 3.02 based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of US$200,000, or integral multiples of US$1,000 in excess thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer), *provided* that the unpurchased portion has a minimum denomination of US$200,000.

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary (but subject to Section 3.02), the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered, *provided* that the unpurchased portion has a minimum denomination of US$200,000. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Section 3.01 through Section 3.06 hereof.

Section 3.10 *Redemption for Taxation Reasons.*

The Notes may be redeemed, at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption (the "*Tax Redemption Date*") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective on or after the date of this Indenture with respect to any payment due or to become due under the Notes, this Indenture or a Note Guarantee, the Company or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Company or a Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; *provided that* for the avoidance of doubt, changing the jurisdiction of the Company or a Subsidiary Guarantor is not a reasonable measure for the purposes of this Section 3.10; *provided, further*, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Company or such Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and Opinion of Counsel or opinion of tax consultant as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

Any Notes that are redeemed pursuant to this Section 3.10 will be cancelled.

Section 3.11 *Gaming Redemption.*

Each Holder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority of any jurisdiction in which the Company or any of its Affiliates (including Melco Resorts Macau) conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Company shall have the right, at its option:

(1) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Company's election or such earlier date as may be requested or prescribed by such Gaming Authority; or

(2) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

(A) the lesser of:

(1) the Person's cost, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

(2) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

(B) such other amount as may be required by applicable law or order of the applicable Gaming Authority.

The Company shall notify the Trustee in writing of any such redemption as soon as practicable. Neither the Company nor the Trustee shall be responsible for any costs or expenses any Holder may incur in connection with such Holder's application for a license, qualification or a finding of suitability.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York Time two Business Days prior to the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, interest and Additional Amounts, if any, then due. All the funds provided to the Paying Agent must be in U.S. Dollars.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 *Maintenance of Office or Agency.*

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates Deutsche Bank Trust Company Americas as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 *Reports.*

(a) The Company will provide to the Trustee and the Holders and make available to potential investors:

(1) within 120 days after the end of the Company's fiscal year, annual reports of the Company containing: (a) information with a level of detail that is substantially comparable to the sections in the Offering Memorandum entitled "Selected Consolidated Financial and Operational Data," "Business," "Management," "Related Party Transactions" and "Description of Other Material Indebtedness;" (b) the Company's audited consolidated (i) balance sheet as of the end of the two most recent fiscal years and (ii) income statement and statement of cash flow for the two most recent fiscal years, in each case prepared in accordance with U.S. GAAP and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the two most recent fiscal years for the Company and its Restricted Subsidiaries, including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and any material changes between such two fiscal years and (ii) any material developments in the business of the Company and its Restricted Subsidiaries; and (d) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, unless *pro forma* information has been provided in a previous report pursuant to paragraph (2)(c) below; *provided that* no *pro forma* information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project;

(2) within 60 days after the end of each day of the first three fiscal quarters in each fiscal year of the Company, quarterly reports containing: (a) the Company's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statement of income and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with U.S. GAAP; (b) an operating and financial review of such periods for the Company and its Restricted Subsidiaries including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and material changes between the current period and the period of the prior year and (ii) any material developments in the business of the Company and its Restricted Subsidiaries; (c) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter, *provided that* no pro forma information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project, and *provided further* that the Company may provide any such *pro forma* information relating to a material acquisition within 75 days following such quarterly report in the form of a report provided pursuant to clause (3) below; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (d) of this clause (3) information with respect to (a) any change in the independent accountants of the Company or any of the Significant Subsidiaries of the Company, (b) any material acquisition or disposition, (c) any material event that the Company or any Restricted Subsidiary of the Company announces publicly and (d) any information that the Company is required to make publicly available under the requirements of the SGX-ST or such other exchanges on which the securities of the Company or its Subsidiaries are then listed.

(b) If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of the Company, then the annual and quarterly information required by the paragraphs (a)(1) and (a)(2) hereof shall include a reasonably detailed presentation of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of the Company.

(c) In addition, so long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and in any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the holders of the Notes, securities analysts and prospective investors, upon their request, any information that Rule 144A(d)(4) under the Securities Act would require the Company to provide to such parties.

(d) The Company may elect to satisfy its obligations under this Section 4.03 with respect to all such financial information relating to the Company by furnishing, or making available on the SEC's website, *provided* that the Trustee shall have no responsibility whatsoever to determine whether such filing has occurred, such financial information relating to Studio City International, or by furnishing or making available on the SGX's website such financial information relating to Studio City Company Limited; provided that the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to Studio City International or Studio City Company Limited (as the case may be), on the one hand, and the information relating to the Company and its Restricted Subsidiaries on a stand-alone basis, on the other hand; provided further that the Company shall make no more than two such elections.

(e) All financial statement information required under this covenant shall be prepared on a consistent basis in accordance with U.S. GAAP. In addition, all financial statement information and all reports required under this covenant shall be presented in the English language.

(f) *[Intentionally Omitted]*.

(g) Delivery of such reports, information and documents to the Trustee shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on the Officer's Certificates).

Section 4.04 *Compliance Certificate.*

(a) The Company shall deliver to the Trustee within 120 days after the end of each fiscal year, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) *[Intentionally Omitted]*.

(c) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, as soon as possible and in any event within five (5) Business Days after the Company becomes aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. The Trustee shall not be deemed to have a duty to monitor compliance by the Company, nor to have knowledge of a Default or an Event of Default (other than a payment default on a scheduled interest payment date) unless a Responsible Officer of the Trustee receives written notice thereof, stating that it is a notice of default and referencing the applicable section of this Indenture.

Section 4.05 *Taxes.*

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies required to be paid by the Company or such Subsidiaries except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

Section 4.06 *Stay, Extension and Usury Laws.*

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Limitation on Restricted Payments.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and other than dividends or distributions payable to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any of its direct or indirect parents;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness of the Company or any Subsidiary Guarantor (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Company would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Measurement Date (excluding Restricted Payments permitted by clauses (2) through (12) of Section 4.07(b)) pursuant to this Indenture, is less than the sum of:

(i) 75% of the EBITDA of the Company *less* 2.00 times Fixed Charges for the period (taken as one accounting period) from January 1, 2019 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such EBITDA for such period is a deficit, *minus* 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds received by the Company since the Measurement Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company (in each case, other than in connection with any Excluded Contribution) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); *plus*

(iii) to the extent that any Restricted Investment that was made after the Measurement Date (x) is reduced as a result of payments of dividends to the Company or a Restricted Subsidiary of the Company or (y) is sold for cash or otherwise liquidated or repaid for cash, (in the case of sub-clauses (x) and (y)) the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment or (z) is reduced upon the release of a Note Guarantee granted by the Company or a Restricted Subsidiary of the Company that constituted a Restricted Investment, to the extent that the initial granting of such Note Guarantee reduced the restricted payments capacity under Section 4.07(a)(4)(C); *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Measurement Date is re-designated as a Restricted Subsidiary after the Measurement Date, the lesser of (i) the Fair Market Value of the Company's Restricted Investment in such Subsidiary as of the date of such re-designation or (ii) the Fair Market Value of the net aggregate Investments made by the Company or a Restricted Subsidiary of the Company in such Unrestricted Subsidiary from the date such entity was originally designated as an Unrestricted Subsidiary through the date of such re-designation; *plus*

(v) 100% of the aggregate amount received from the sale of the stock of any Unrestricted Subsidiary of the Company after the Measurement Date or 100% of any dividends received by the Company or a Restricted Subsidiary of the Company after the Measurement Date from an Unrestricted Subsidiary of the Company.

(b) The provisions of Section 4.07(a) hereof will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Company (in each case, other than in connection with any Excluded Contribution); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from Section 4.07(a)(4)(C)(ii) hereof;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the net cash proceeds from a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a *pro rata* basis;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any current or former officer, director or employee of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; *provided that* the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US$1.0 million in any twelve-month period;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary of the Company issued on or after the Issue Date in accordance with the Fixed Charge Coverage Ratio test described in Section 4.09(a) hereof;

(8) any Restricted Payment made or deemed to be made by the Company or a Restricted Subsidiary of the Company under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA;

(9) [RESERVED];

(10) Restricted Payments that are made with Excluded Contributions;

(11) payments to any parent entity in respect of directors' fees, remuneration and expenses (including director and officer insurance (including premiums therefore)) to the extent relating to the Company and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(12) the making of Restricted Payments, if applicable:

(A) in amounts required for any direct or indirect parent of the Company to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Company and general corporate operating and overhead expenses of any direct or indirect parent of the Company in each case to the extent such fees and expenses are attributable to the ownership or operation of the Company, if applicable, and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(B) in amounts required for any direct or indirect parent of the Company, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Company or any of its Restricted Subsidiaries prior to the Issue Date and that has been guaranteed by, or is otherwise considered Indebtedness of, the Company Incurred in accordance with Section 4.09; *provided that* the amount of any such proceeds will be excluded from Section 4.07(a)(4)(C)(ii);

(C) in amounts required for any direct or indirect parent of the Company to pay fees and expenses, other than to Affiliates of the Company, related to any unsuccessful equity or debt offering of such parent; and

(D) payments for services under any Revenue Sharing Agreement that would constitute or be deemed to constitute a Restricted Payment;

(13) any Restricted Payment used to fund the Transactions and the payment of fees and expenses incurred in connection with the Transactions or owed by the Company or any direct or indirect parent of the Company or its Restricted Subsidiaries to Affiliates, and any other payments made, including any such payments made to any direct or indirect parent of the Company to enable it to make payments, in connection with the consummation of the Transactions, whether payable on the Issue Date or thereafter, in each case on terms described in the Offering Memorandum under "Use of Proceeds" and to the extent permitted by Section 4.11;

(14) any Restricted Payments, to the extent required to be made by any Gaming Authority having jurisdiction over the Company or any of its Restricted Subsidiaries or Melco Resorts Macau (or any other operator of the Studio City Casino);

(15) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company or any Restricted Subsidiary; *provided, however*, that any such cash payment shall not be for the purpose of evading the limitation of this Section 4.07;

(16) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Company or any Subsidiary Guarantor pursuant to provisions similar to those described under Section 4.15, *provided that* all Notes tendered by holders of the Notes in connection with a Change of Control Offer have been repurchased, redeemed or acquired for value;

(17) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, that complies with Section 5.01; *provided that* as a result of such consolidation, merger or transfer of assets, the Company shall have made a Change of Control Offer (if required by this Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value; and

(18) other Restricted Payments in an aggregate amount not to exceed US$15.0 million since the Issue Date,

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (12), (13) and (18) of this Section 4.07(b), no Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Section 4.07 will be determined by the Board of Directors of the Company whose resolution with respect thereto will be delivered to the Trustee as set forth in an Officer's Certificate of the Company. The Company's Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of international standing (an "*Independent Financial Advisor*") if the Fair Market Value exceeds US$45.0 million.

Section 4.08 *Dividend and Other Payment Restrictions Affecting Subsidiaries*.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause, permit or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The restrictions in Section 4.08(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness or any other agreements in existence on the Issue Date as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements on the Issue Date;

(2) the Credit Facilities Documents (other than the Senior Secured Credit Facilities), and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* such Credit Facilities Documents and the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings thereof are not materially more restrictive, taken as a whole, with respect to such dividend and the other restrictions than those contained in the Senior Secured Credit Facilities;

(3) the Indenture, the Notes and the Note Guarantees;

(4) applicable law, rule, regulation or order, or governmental license, permit or concession;

(5) any agreement or instrument governing Indebtedness or Capital Stock of a Person or assets acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements or instruments; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements or instruments at the time of such acquisition); *provided further, that*, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be Incurred;

(6) customary non-assignment provisions in contracts and licenses including, without limitation, with respect to any intellectual property, entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.08(a)(3);

(8) any agreement for the sale or other disposition of Equity Interests or property or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided that* the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of Section 4.12 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting dividends or the disposition or distribution of assets, property or Equity Interests in joint venture or operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, merger agreements and other similar agreements entered into with the approval of the Company's Board of Directors, which limitation is applicable only to the assets, property or Equity Interests that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(13) any agreement or instrument with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of this Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals, supplements or amendments or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed, supplemented, amended or replaced.

Section 4.09 *Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not issue any shares of Disqualified Stock and the Company will not, and the Company will not permit any of its Restricted Subsidiaries, to issue any shares of Preferred Stock; *provided*, *however*, that the Company may Incur Indebtedness (including Acquired Indebtedness) or issue Disqualified Stock, and the Company or any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Preferred Stock, if the Fixed Charge Coverage Ratio of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been at least 2.00 to 1.00 determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The provisions of Section 4.09(a) hereof do not apply to the following (collectively, "*Permitted Debt*"):

(1) the Incurrence by the Company and the Subsidiary Guarantors of Indebtedness under Credit Facilities; *provided* that on the date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (1) (together with any refinancing thereof) does not exceed the sum of: (i)(x) US$35.0 million; plus (y) US$100.0 million Incurred in respect of the Phase II Project; *less* (ii), in the case of clause (i)(y), the aggregate amount of all Net Proceeds of Asset Sales applied since the Issue Date to repay any term Indebtedness Incurred pursuant to this clause (1)(i)(y) or to repay any revolving credit indebtedness Incurred under this clause (1)(i)(y) and effect a corresponding commitment reduction thereunder pursuant to Section 4.10 hereof;

(2) the Incurrence of Indebtedness represented by the Notes (other than Additional Notes) and the Note Guarantees (other than Note Guarantees for Additional Notes) and the Intercompany Note Proceeds Loans;

(3) (a) the Incurrence by the Company or the Subsidiary Guarantors of Indebtedness in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (3)(a), not to exceed the greater of (x) an amount equal to 3.5 times the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the relevant time of determination and (y) US$1,200,000,000, and (b) Indebtedness existing on the Issue Date (other than the Existing Studio City Company Notes and Indebtedness described in clauses (1) and (2));

(4) the Incurrence of Indebtedness of the Company or any of its Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or other assets (including through the acquisition of Capital Stock of any person that owns property, plant or other assets which will, upon acquisition, become a Restricted Subsidiary) used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (4), not to exceed the greater of (x) US$50.0 million and (y) 2.0% of Total Assets at any time outstanding;

(5) the Incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be Incurred under Section 4.09(a) or clauses (2), (3)(b), (4), (5) or (15) of this Section 4.09(b);

(6) (a) Obligations in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, bid, appeal and surety bonds and completion or performance guarantees (including the guarantee of any land grant) provided by the Company or any Restricted Subsidiary in connection with the Property or in the ordinary course of business and (b) Indebtedness constituting reimbursement obligations with respect to letters of credit or trade or bank guarantees (including for land grants) issued in the ordinary course of business to the extent that such letters of credit, trade or bank guarantees (including for land grants) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than thirty (30) days following receipt of a demand for reimbursement;

(7) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company or any of its Restricted Subsidiaries; *provided*, *however*, that:

(A) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Subsidiary Guarantor; and

(B) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (7);

(8) shares of Preferred Stock of a Restricted Subsidiary issued to the Company or another Restricted Subsidiary of the Company; *provided that*

(A) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(B) any sale or other transfer of any such Preferred Stock to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an issuance of such Preferred Stock by such Restricted Subsidiary that was not permitted by this clause (8).

(9) the Incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(10) the guarantee by the Company or any Restricted Subsidiary of the Company of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be Incurred by another provision of this Section 4.09; *provided that* if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(11) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

(12) to the extent constituting Indebtedness, agreements to pay service fees to professionals (including architects, engineers, contractors and designers) in furtherance of and/or in connection with the Property or agreements to pay fees and expenses or other amounts pursuant to the Services and Right to Use Agreement or the MSA or otherwise arising under the Services and Right to Use Agreement or the MSA in the ordinary course of business (*provided, that* no such agreements shall give rise to Indebtedness for borrowed money);

(13) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, or performance bonds securing any obligation of the Company or any Restricted Subsidiary of the Company pursuant to such agreements, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided, that* the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received in connection with such disposition;

(14) Obligations in respect of Shareholder Subordinated Debt;

(15) any guarantees made solely in connection with (and limited in scope to) the giving of a Lien of the type specified in clause (22) of "Permitted Liens" to secure Indebtedness of an Unrestricted Subsidiary, the only recourse of which to the Company and its Restricted Subsidiaries is to the Equity Interests subject to the Liens;

(16) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (16), not to exceed US$50.0 million; and

(17) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in respect of the Phase II Project in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (17), not to exceed the greater of (x) 75% of the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available (which figure shall be based on audited financial information, if for an annual period) and (y) US$350.0 million.

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (17) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its Incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4.09. Indebtedness incurred under the Senior Secured Credit Facilities will be deemed to have been incurred in reliance on the exception provided by clause (1)(x) of the definition of Permitted Debt and may not be reclassified and Indebtedness incurred under the Existing Studio City Company Notes will be deemed to have been incurred in reliance on the exception provided by clause (3)(a) of the definition of Permitted Debt and may not be reclassified. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 4.09; provided, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Company as accrued. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary of the Company may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Further, for purposes of determining compliance with this covenant, to the extent the Company or any of its Restricted Subsidiaries guarantees Indebtedness of a direct or indirect parent entity to the extent otherwise permitted by this covenant, the on-loan by such direct or indirect parent entity to the Company or any of its Restricted Subsidiaries of all or a portion of the principal amount of such Indebtedness will not be double counted.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the face amount of the Indebtedness of the other Person.

Section 4.10 *Asset Sales.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale (other than an Event of Loss), unless:

(1) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;

(B) any securities, notes or other Obligations received by the Company or any such Restricted Subsidiary from such transferee that are, within 30 days of the receipt thereof, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any stock or assets of the kind referred to in Section 4.10(b)(2) or Section 4.10(b)(4).

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale (including an Event of Loss), the Company or the applicable Restricted Subsidiary, as the case may be may apply such Net Proceeds:

(1) to repay (a) Indebtedness Incurred under Section 4.09(b)(1) and Section 4.09(b)(17), (b) other Indebtedness of the Company or a Subsidiary Guarantor secured by property and assets that are the subject of such Asset Sale, and, in each case, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (c) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or (d) the Notes pursuant to the redemption provisions of this Indenture;

(2) to acquire all or substantially all of the assets of another Permitted Business, or any Capital Stock of, a Person undertaking another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Company (*provided that* (a) such acquisition funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets or Capital Stock is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds);

(3) to make a capital expenditure (*provided that* any such capital expenditure funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to make such capital expenditure is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss); or

(4) to acquire other assets that are not classified as current assets under U.S. GAAP and that are used or useful in a Permitted Business (*provided that* (a) such acquisition funded from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds); or

(5) enter into a binding commitment regarding clauses (2), (3) or (4) above (in addition to the binding commitments expressly referenced in those clauses); *provided that* such binding commitment shall be treated as a permitted application of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 360-day period. To the extent such acquisition or expenditure is not consummated on or before such 180th day and the Company or such Restricted Subsidiary shall not have applied such Net Proceeds pursuant to clauses (2), (3) or (4) above on or before such 180th day, such commitment shall be deemed not to have been a permitted application of Net Proceeds, and such Net Proceeds will constitute Excess Proceeds.

(c) Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(d) Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this Section 4.10 will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds US$5.0 million, within ten (10) days thereof, the Company shall make an Asset Sale Offer to all Holders with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Company will purchase all tendered Notes on a *pro rata* basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

(e) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Section 3.09 hereof or this Section 4.10, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under Section 3.09 hereof or this Section 4.10 by virtue thereof.

Section 4.11 *Transactions with Affiliates.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$45.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this Section 4.11(a) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company or, if the Board of Directors of the Company has no disinterested directors, approved in good faith by a majority of the members (or in the case of a single member, the sole member) of the Board of Directors of the Company; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$60.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of national standing with experience appraising the terms and conditions of the type of transaction or series of related transactions.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 4.11(a) hereof:

(1) any employment agreement, employee benefit plan (including compensation, retirement, disability, severance and other similar plan), officer or director indemnification, stock option or incentive plan or agreement, employee equity subscription agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Company solely because the Company owns directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable officers' and directors' fees and reimbursement of expenses (including the provision of indemnity to officers and directors) to Persons who are not otherwise Affiliates of the Company;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company or contribution to the common equity capital of the Company;

(6) Restricted Payments (including any payments made under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA) that do not violate Section 4.07 hereof;

(7) any agreement or arrangement existing on the Issue Date, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals (so long as any such agreement or arrangement together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the original agreement or arrangement as in effect on the Issue Date, unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority, in each case having jurisdiction over the Studio City Casino, Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR);

(8) loans or advances to employees (including personnel who provide services to the Company or any of its Restricted Subsidiaries pursuant to the MSA) in the ordinary course of business not to exceed US$2.0 million in the aggregate at any one time outstanding;

(9) [RESERVED];

(10) (a) transactions or arrangements under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof (so long as the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, as in effect on the Issue Date or, as determined in good faith by the Board of Directors of the Company, would not materially and adversely affect the Company's ability to make payments of principal of and interest on the Notes) and (b) other than with respect to transactions or arrangements subject to clause (a) above, transactions or arrangements with customers, clients, suppliers or sellers of goods or services in the ordinary course of business, on terms that are fair to the Company or any of its Restricted Subsidiaries, as applicable, or are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arms-length basis from a Person that is not an Affiliate of the Company, in the case of each of (a) and (b), unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority having jurisdiction over Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR;

(11) the execution of the Transactions, and the payment of all fees and expenses relating to the Transactions described in the Offering Memorandum;

(12) transactions or arrangements to be entered into in connection with the Property in the ordinary course of business (including, for the avoidance of doubt, transactions or arrangements necessary to conduct a Permitted Business) including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof; *provided* that such transactions or arrangements must comply with clauses 4.11(a)(1) and (a)(2)(A) hereof;

(13) transactions or arrangements duly approved by the Audit and Risk Committee of Studio City International so long as Studio City International is listed on the New York Stock Exchange or another internationally recognized stock exchange and the Company delivers to the Trustee a copy of the resolution of the Audit and Risk Committee of Studio City International annexed to an Officer's Certificate certifying that such Affiliate Transaction complies with this clause (13) and that such Affiliate Transaction has been duly approved by the Audit and Risk Committee of Studio City International;

(14) execution, delivery and performance of any tax sharing agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes; and

(15) provision by, between, among, to or from Persons who may be deemed Affiliates of group administrative, treasury, legal, accounting and similar services.

Section 4.12 *Liens.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired or any proceeds, income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens, or, if such Lien is not a Permitted Lien, unless the Notes and the Note Guarantees are secured on a *pari passu* basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

Section 4.13 *Business Activities.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries (taken as a whole).

Section 4.14 *Corporate Existence.*

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided*, *however*, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders.

Section 4.15 *Offer to Repurchase upon Change of Control.*

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full pursuant to Section 3.07 hereof. Within ten (10) days following any Change of Control, except to the extent that the Company has exercised its right to redeem the Notes by delivery of a notice of redemption pursuant to Section 3.03 hereof, the Company shall mail a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date (the "*Change of Control Payment*"));

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(4) that any Note not tendered will continue to accrue interest;

(5) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(6) the Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(7) the Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased, and

(8) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, *provided* that the unpurchased portion has a minimum denomination of US$200,000.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

The Paying Agent will promptly mail (but in any case not later than five (5) days after the Change of Control Payment Date) to each Holder properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, *provided* that the unpurchased portion has a minimum denomination of US$200,000. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.15 hereof and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.03 hereof, unless and until there is a default in payment of the applicable redemption price.

(d) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(e) Notes repurchased by the Company pursuant to a Change of Control Offer will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

(f) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of the Notes pursuant to this Section 4.15. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.15, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.15 by virtue of such compliance.

Section 4.16 *Payments for Consents.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture, the Notes or the Note Guarantees unless such consideration is (1) offered to be paid; and (2) is paid to all Holders that consent, waive or agree to amend within the time frame and on the terms set forth in the solicitation documents relating to such consent, waiver or agreement.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes in connection with an exchange offer, the Company and any of the Restricted Subsidiaries may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company or any of its Restricted Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Company or any of its Restricted Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company or any of its Restricted Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Section 4.17 *Future Subsidiary Guarantors.*

(a) If the Company or any of its Restricted Subsidiaries acquires or creates another Subsidiary after the Issue Date, then the Company shall cause such newly acquired or created Subsidiary to become a Subsidiary Guarantor (in the event that such Subsidiary provides a guarantee of any other Indebtedness of the Company or a Subsidiary Guarantor of the type specified under clauses (1) or (2) of the definition of "Indebtedness"), at which time such Subsidiary shall:

(1) execute a supplemental indenture in the form attached as Exhibit D hereto pursuant to which such Subsidiary shall unconditionally guarantee, on a senior basis, all of the Company's Obligations under this Indenture and the Notes on the terms set forth in this Indenture;

(2) take such further action and execute and deliver such other documents as otherwise may be reasonably requested by the Trustee to give effect to the foregoing; and

(3) deliver to the Trustee an Opinion of Counsel that (i) such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Subsidiary and constitute legal, valid, binding and enforceable Obligations of such Subsidiary.

(b) Notwithstanding the foregoing, any Guarantee of the Notes created pursuant to the provisions described in paragraph (a) above may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) (with respect to any Guarantee created after the date of this Indenture) the release by the holders of the Company's or the Subsidiary Guarantor's Indebtedness described in paragraph (a) above, of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness other than as a result of payment under such guarantee), at a time when:

(A) no other Indebtedness of either the Company or any Subsidiary Guarantor has been guaranteed by such Restricted Subsidiary; or

(B) the holders of all such other Indebtedness that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness other than as a result of payment under such guarantee); or

(2) the release of the Note Guarantees on the terms and conditions and in the circumstances described in Section 11.08 hereof.

(c) Each additional Note Guarantee will be limited as necessary to recognize certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law. Notwithstanding Section 4.17(a) hereof, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (i) any liability for the officers, directors or shareholders of such Restricted Subsidiary or (ii) any significant cost, expense, liability or obligation (including with respect of any Taxes, but excluding any reasonable guarantee or similar fee payable to the Company or a Restricted Subsidiary of the Company) other than reasonable out of pocket expenses.

Section 4.18 *Designation of Restricted and Unrestricted Subsidiaries.*

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default; *provided that* in no event will the business currently operated by the Company, Studio City Developments Limited, Studio City Entertainment Limited or Studio City Hotels Limited be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07 hereof or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate of the Company certifying that such designation complied with the preceding conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Section 4.09 hereof, the Company will be in Default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4.09 hereof, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the reference period; and (2) no Default or Event of Default would be in existence following such designation. On such designation, the Company shall deliver an Officer's Certificate of the Company to the Trustee regarding such designation and certifying that such designation complies with the preceding conditions and the relevant covenants under this Indenture.

Section 4.19 *Listing.*

The Company will use its commercially reasonable efforts to list and maintain the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited or another comparable exchange.

Section 4.20 *Limitations on Use of Proceeds*

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than as set forth under the caption "Use of Proceeds" in the Offering Memorandum.

Section 4.21 *Special Put Option.*

(a) Upon a Special Put Option Triggering Event, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes pursuant to a Special Put Option Offer (as defined below) on the terms set forth in this Section 4.21. In the Special Put Option Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full as described under Section 3.07 hereof.

(b) Within ten days following the occurrence of a Special Put Option Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption as described under Section 3.07 hereof the Company shall mail a notice (a "*Special Put Option Offer*") to each Holder with a copy to the Trustee and the Paying Agent stating:

(1) that a Special Put Option Triggering Event has occurred and that such holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date);

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(3) the instructions determined by the Company, consistent with this Section 4.21, that a Holder must follow in order to have its Notes repurchased.

(c) On the date of repurchase pursuant to a Special Put Option Offer, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Special Put Option Offer;

(2) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Special Put Option Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee, the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

(d) The Paying Agent will promptly mail to each Holder properly tendered the Special Put Option Payment for such Notes, and the Trustee, or its authenticating agent, will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

(e) The provisions described in this Section 4.21 that require the Company to make a Special Put Option Offer following a Special Put Option Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described this Section 4.21 with respect to a Special Put Option Triggering Event, this Indenture does not contain provisions that permit the Holders to require that the Company repurchase or redeem the Notes in the event of a termination, rescission or expiration of any Gaming License.

(f) The Company will not be required to make a Special Put Option Offer upon a Special Put Option Triggering Event if (1) a third party makes the Special Put Option Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Special Put Option Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Special Put Option Offer, or (2) notice of redemption has been given in accordance with Section 3.07 and Section 3.10 hereof pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

(g) Notes repurchased by the Company pursuant to a Special Put Option Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to sub-clause (b)(3) of this Section 4.21 will have the status of Notes issued and outstanding.

(h) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this provision. To the extent that the provisions of any securities laws or regulations conflict with provisions of this provision, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Section 4.22 *Intercompany Note Proceeds Loans*

The Company shall, and shall cause its Restricted Subsidiaries to, ensure that:

(1) the Intercompany Note Proceeds Loans are subordinated in right of payment to the Guarantees provided by the Company's Restricted Subsidiaries party thereto;

(2) the Company will receive interest payments under such Intercompany Note Proceeds Loans in amounts sufficient for the Company to make interest payments under the Notes as they become due; and

(3) the maturity date of such Intercompany Note Proceeds Loans will be same as the maturity date of the Notes.

Section 4.23 *Suspension of Covenants*

(a) The following covenants (the "*Suspended Covenants*") will not apply during any period during which the Notes have an Investment Grade Status (a "*Suspension Period*"): Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 5.01(a)(3) and Section 4.17. Additionally, during any Suspension Period, the Company will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

(b) In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") the Notes cease to have Investment Grade Status, then the Suspended Covenants will apply with respect to events occurring following the Reversion Date (unless and until the Notes subsequently attain an Investment Grade Status, in which case the Suspended Covenants will again be suspended for such time that the Notes maintain an Investment Grade Status); *provided*, *however*, that no Default or Event of Default will be deemed to exist under the Indenture with respect to the Suspended Covenants, and none of the Company or any of its Subsidiaries will bear any liability for any actions taken or events occurring during a Suspension Period and before any related Reversion Date, or any actions taken at any time pursuant to any contractual obligation or binding commitment arising prior to such Reversion Date, regardless of whether those actions or events would have been permitted if the applicable Suspended Covenant had remained in effect during such period. The Company shall notify the Trustee should the Notes achieve Investment Grade Status; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall be under no obligation to notify the holders of the Notes that the Notes have achieved Investment Grade Status.

(c) On each Reversion Date, all Indebtedness Incurred during the Suspension Period prior to such Reversion Date will be deemed to be Indebtedness existing on the Issue Date. For purposes of calculating the amount available to be made as Restricted Payments under Section 4.07(a)(4)(C) hereof on or after the Reversion Date, calculations under such covenant shall be made as though such covenant had been in effect during the entire period of time after the Issue Date (including the Suspension Period). Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (2) through (6) or (18) under Section 4.07(b) hereof will reduce the amount available to be made as Restricted Payments under Section 4.07(a)(4)(C) hereof; provided, that the amount available to be made as Restricted Payments on the Reversion Date shall not be reduced to below zero solely as a result of such Restricted Payments. In addition, for purposes of the other Suspended Covenants, all agreements entered into and all actions taken during the Suspension Period, including, without limitation, the Incurrence of Indebtedness shall be deemed to have been taken or to have existed prior to the Issue Date.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, or Sale of Assets.*

(a) *The Company*. The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of the Company with or a merger of the Company with or into any other Person, the Company shall be the surviving entity of such merger or consolidation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Notes and this Indenture, pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee;

(2) immediately after such transaction, no Default or Event of Default exists; and

(3) the Company, or if applicable, the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made, would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof.

(b) *The Subsidiary Guarantors*. Subject to the Section 11.08(c) hereof, no Subsidiary Guarantor will, and the Company will not permit any Subsidiary Guarantor to, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor in one or more related transactions, to another Person, unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of such Subsidiary Guarantor with or a merger of such Subsidiary Guarantor with or into any other Person, such Subsidiary Guarantor shall be the surviving entity of such consolidation or merger; or

(B) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of such Subsidiary Guarantor under its Note Guarantee and this Indenture, pursuant to a supplemental indenture; and

(2) immediately after such transaction, no Default or Event of Default exists.

(c) This Section 5.01 will not apply to:

(1) a merger of the Company or a Subsidiary Guarantor, as the case may be, with an Affiliate solely for the purpose of reincorporating the Company or a Subsidiary Guarantor, as the case may be, in another jurisdiction; or

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets between or among the Company and the Subsidiary Guarantors or between or among the Subsidiary Guarantors.

Upon consummation of any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets by a Subsidiary Guarantor with or into the Company or another Subsidiary Guarantor in accordance with this Section 5.01 which results in a Subsidiary Guarantor distributing all of its assets (other than *de minimis* assets required by law to maintain its corporate existence) to the Company or another Subsidiary Guarantor, such transferring Subsidiary Guarantor may be wound up pursuant to a solvent liquidation or solvent reorganization, provided it shall have no third party recourse Indebtedness or be the obligor under any intercompany Indebtedness.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided*, *however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

(a) Each of the following is an event of default (an "*Event of Default*"):

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption, upon required repurchase, or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with its obligations under the provisions of Section 3.09, 4.10, 4.15, 4.21 or 5.01 hereof;

(4) failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture,;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates US$20.0 million or more at any time outstanding;

(6) failure by the Company or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction (other than any judgment as to which a reputable third party insurer has accepted full responsibility and coverage) aggregating in excess of US$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case or is the subject of a petition by a creditor to have it declared bankrupt,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary;

(9) except as permitted by this Indenture, (a) any Note Guarantee being held in any judicial proceeding in a competent jurisdiction to be unenforceable or invalid or ceases for any reason to be in full force and effect, or (b) any Person acting on behalf of any Subsidiary Guarantor, denying or disaffirming its Obligations under its Note Guarantee; and

(10) the termination or rescission of any Gaming License or the Macau government takes any formal measure to do so (excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; provided that such renewal, tender or other process results in the granting or renewal of the relevant Gaming License).

Section 6.02 *Acceleration.*

In the case of an Event of Default specified in Section 6.01(a)(7) or 6.01(a)(8) hereof, with respect to the Company, any Restricted Subsidiary of the Company that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately.

The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of all of the Holders, rescind an acceleration (including any related payment default that resulted from such acceleration) and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except non-payment of principal of, premium, if any, or interest on the Notes).

Section 6.03 *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Additional Amounts, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 *Waiver of Past Defaults.*

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase); *provided, however*, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority.*

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct, in writing, the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability.

Section 6.06 *Limitation on Suits.*

(a) Subject to the provisions of this Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any Holders unless such Holders have offered to the Trustee indemnity and/or security to its satisfaction against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have made a written request to the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity to its satisfaction; and

(5) during such 60-day period, Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a written direction inconsistent with such request.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 *Rights of Holders to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, Additional Amounts, if any, and interest on the Notes, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; *provided that* a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee.*

If an Event of Default specified in Section 6.01(a)(1) or (a)(2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, Additional Amounts, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and premium, if any and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities.*

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, the Agents, and their respective agents and attorneys for amounts due under Section 7.08 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or any Agent, and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, Additional Amounts, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, Additional Amounts, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) other than with respect to a payment default, the Trustee shall not be charged with knowledge of any Default or Event of Default unless written notice has been delivered to a Responsible Officer at the Corporate Trust Office of the Trustee referencing the applicable provision of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee, to expend or risk its own funds or incur any liability.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee.*

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may engage and consult with professional advisors and counsel selected by it at the reasonable expense of the Company, and the Trustee may rely conclusively upon advice of such professional advisors and counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon by the Trustee and any of its directors, officers, employees or agents duly appointed.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care. The Trustee shall have no duty to monitor the performance of such agents.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. The Trustee shall not be required to take action at the direction of the Company or Holders which conflicts with the requirements of this Indenture or for which it is not indemnified to its satisfaction, or which involves undue risk or would be contrary to applicable law or regulation.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer or a director of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it in its sole discretion against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, epidemic, pandemic (or any government restrictions imposed in response to an epidemic or pandemic) work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services and the unavailability of the Federal Reserve Bank wire or facsimile or other communication facility; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(h) The recitals contained herein and in the Notes are made by the Company and not by the Trustee, and the Trustee, does not assume any responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Notes.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) The rights, privileges, indemnity, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder and each agent, custodian and other Person employed to act hereunder *provided*, *however* any such agent or custodian shall not be deemed to be a fiduciary;

(l) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture;

(m) In the event that the Trustee and Agents shall be uncertain as to their respective duties or rights hereunder or shall receive instructions, claims or demands from the Company, which in their opinion, conflict with any of the provisions of this Indenture, they shall be entitled to refrain from taking action until directed in writing by a final order or judgment of a court of competent jurisdiction;

(n) So long as any of the Notes remains outstanding, the Company shall provide the Agents with a sufficient number of copies of this Indenture and each of the documents sent to the Trustee or which are required to be made available by stock exchange regulations or stated in the Offering Memorandum relating to the Notes, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office during normal office hours for examination by the Holders and that copies thereof will be furnished to the Holders upon written request at their own expense;

(o) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer’s Certificate and/or an Opinion of Counsel;

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, will be taken and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved;

(q) The Trustee may, before commencing (or at any time during the continuance of) any act, action or proceeding, require the Holders at whose instance it is acting to deposit with the Trustee the Notes held by them, for which Notes the Trustee to which such Notes are deposited shall issue receipts to such Holders;

(r) Notwithstanding any other provision of this Indenture, the Trustee and the Paying Agent shall be entitled to make a deduction or withholding from any payment which they make under this Indenture for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event the Trustee or the Paying Agent, as applicable, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted;

(s) The Trustee shall (except as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Indenture or by applicable law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, absent any wilful misconduct, gross negligence or fraud on the part of the Trustee the Trustee shall not be responsible for any loss, damage, cost, claim or any other liability or inconvenience that may result from the exercise or non-exercise thereof;

(t) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice of the Company mentioned herein shall be sufficiently evidenced if in writing and signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficiently evidenced by a board resolution;

(u) The Trustee shall have no duty to inquire as to the performance of the covenants of the Company or its Restricted Subsidiaries. Delivery of reports, information and documents to the Trustee under Section 4.03 hereof shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates);

(v) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes;

(w) The Trustee is not required to give any bond or surety with respect to the performance of its duty or the exercise of its power under this Indenture or the Notes;

(x) No provision of this Indenture shall require the Trustee to do anything which, in its opinion, may be illegal or contrary to applicable law or regulation;

(y) The Trustee may assume without inquiry in the absence of actual knowledge that the Company is duly complying with its obligations contained in this Indenture required to be performed and observed by them, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred; and

(z) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

Section 7.03 *[Intentionally Omitted.]*

Section 7.04 *Individual Rights of Trustee.*

(a) The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. The Trustee is also subject to Section 7.11 hereof.

(b) If the Trustee becomes a creditor of the Company or a Subsidiary Guarantor, this Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires actual knowledge that it has any conflicting interest it must eliminate such conflict within 90 days or resign.

Section 7.05 *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than the certificate of authentication. The Trustee shall not be deemed to be required to calculate any Fixed Charges, Treasury Rates, Additional Amounts, any make-whole amount, any Fixed Charge Coverage Ratio or other coverage ratio, or otherwise.

Section 7.06 *Notice of Defaults.*

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within ninety (90) days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, Additional Amounts, if any, or interest on, any Note, the Trustee shall not be deemed to have such actual knowledge and may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.07 *[Intentionally Omitted.]*

Section 7.08 *Compensation and Indemnity.*

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder pursuant to a written fee agreement executed or as otherwise agreed by the Trustee and the Company. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses properly incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Subsidiary Guarantors will indemnify the Trustee and its officers, directors, employees and agents against any and all losses, liabilities or expenses (including the fees and expenses of counsel) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Subsidiary Guarantors (including this Section 7.08) and defending itself against any claim (whether asserted by the Company, the Subsidiary Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable solely to its gross negligence, willful misconduct or fraud as determined by a court of competent jurisdiction in a final non-appealable order. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not relieve the Company or any of the Subsidiary Guarantors of their obligations hereunder. The Company or such Subsidiary Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Subsidiary Guarantor need to pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Subsidiary Guarantors under this Section 7.08 will survive the satisfaction and discharge of this Indenture, and the resignation or removal of the Trustee and/or any Agent.

(d) To secure the Company's and the Subsidiary Guarantors' payment obligations in this Section 7.08, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(7) or Section 6.01(a)(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.09 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.11 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one (1) year after the successor Trustee takes office, the holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee at the sole expense of the Company.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.11 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.08 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.09, the Company's obligations under Section 7.08 hereof will continue for the benefit of the retiring Trustee.

Section 7.10 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.11 *Eligibility; Disqualification.*

There shall at all times be a Trustee hereunder that is entitled to carry out the activities of a trustee under the laws of England and Wales, or Hong Kong or the State of New York or is a corporation organized or doing business under the laws of the United States of America or any state thereof or the District of Columbia that is authorized under such laws to exercise corporate trustee power and that is a corporation which is generally recognized as a corporation which customarily performs such corporate trustee roles and provides such corporate trustee services in transactions similar in nature to the offering of the Notes. No obligor under the Notes or Person directly controlling, controlled by, or under common control with such obligor shall serve as trustee under the Notes.

Section 7.12 *Appointment of Co-Trustee.*

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction or otherwise, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustees, of all or any part of this Indenture, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.09 hereof and no notice to the Holders of the appointment of any co-trustee or separate trustee shall be required.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(1) All rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee.

(2) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(3) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Section 7.12. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies, and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 7.13 *Resignation of Agents.*

Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and the Company. The Trustee or the Company may remove any Agent at any time by giving thirty (30) days' prior written notice to such Agent. Upon such notice, a successor Agent shall be appointed by the Company, who shall provide written notice of such to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Company is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent shall deliver any funds then held hereunder in its possession to the Trustee or (i) such Agent may appoint as its successor Agent, any reputable and experienced financial institution acceptable to the Trustee and the Company or (ii) apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The reasonable costs and expenses (including its counsels' fees and expenses) incurred by the Agent in connection with such proceeding shall be paid by the Company. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery of any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.08 hereof.

Section 7.14 *Agents General Provisions.*

(a) The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) The Company and the Agents acknowledge and agree that in the event of a Default or Event of Default, the Trustee may, by notice in writing to the Company and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee. Until they have received such written notice from the Trustee, the Agents shall act solely as agents of the Company and need have no concern for the interests of the Holders.

(c) In the event that instructions given to any Agent are not reasonably clear, then such Agent shall be entitled to seek clarification from the Company or other party entitled to give the Agents instructions under this Indenture. If an Agent has sought clarification in accordance with this Section 7.14(c), then such Agent shall be entitled to take no action until such clarification is provided, and shall not incur any liability for not taking any action pending receipt of such clarification.

(d) The Agents shall only have such duties as expressly set out in this Indenture.

(e) The Company shall provide the Agents with a certified list of authorized signatories.

Section 7.15 *Rights of Trustee in Other Roles.*

All rights, powers and indemnities contained in this Article 7 shall apply to the Trustee in its other roles hereunder and to the Agents.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 *Legal Defeasance and Discharge.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Subsidiary Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their Obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company and the Subsidiary Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's Obligations with respect to the Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee, the Paying Agent and Transfer Agent and the Registrar, and the Company's and the Subsidiary Guarantors' Obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 *Covenant Defeasance.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each of the Subsidiary Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18, 4.19 and 4.21 hereof and Section 5.01(a)(3) hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Subsidiary Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof and Section 6.01(a)(3) through 6.01(a)(5) hereof will not constitute Events of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officer’s Certificate of the Company stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

(8) The Trustee shall be entitled to its usual fees and, in addition, any fees and expenses incurred or charged by the Trustee and its counsel in connection with defeasance, satisfaction and discharge, and investment or custody services provided hereunder.

Section 8.05 *Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06 hereof, all money and non- callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, and Additional Amounts, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non- callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two (2) years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than thirty (30) days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Subsidiary Guarantors' obligations under this Indenture and the Notes and the Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided, however*, that, if the Company makes any payment of principal of, premium, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders of Notes.*

Notwithstanding Section 9.02 of this Indenture, the Company, the Subsidiary Guarantors, the Trustee (as applicable and to the extent each is a party to the relevant document) may amend or supplement this Indenture, the Notes, and/or the Note Guarantees without the consent of any Holder:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Subsidiary Guarantor's Obligations under the Notes or the Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Subsidiary Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any such Holder;

(5) to conform the text of the Notes, this Indenture or the Note Guarantees to any provision of the "Description of Notes" section of the Offering Memorandum, to the extent that such provision in that "Description of Notes" section of the Offering Memorandum was intended to be a verbatim recitation of a provision of the Notes, this Indenture or the Note Guarantees, which intent shall be evidenced by an Officer's Certificate of the Company to that effect;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture; or

(7) to allow any Subsidiary Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes or to release any Subsidiary Guarantor from its Note Guarantee in accordance with the terms of this Indenture.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee, will join with the Company and the Subsidiary Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee nor any Agent will be obligated to (although they may at their discretion) enter into such amended or supplemental indenture that affects their own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 *With Consent of Holders of Notes.*

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof) and the Notes, and the Company, the Trustee and the Subsidiary Guarantors, may amend or supplement the Note Guarantees with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Additional Amounts, if any, or interest on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, 9.06, 13.04 and 13.05 hereof, the Trustee, will join with the Company and the Subsidiary Guarantors in the execution of such amended or supplemental indenture authorized or permitted by the terms of this Indenture unless such amended or supplemental indenture directly affects the Trustee's or any Agent's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee and/or each Agent may in their discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder (including the Additional Notes) affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes (including the Additional Notes) held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of, premium, if any, or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 4.10, 4.21 and 4.15 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or premium, if any, on, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by Section 3.09, 4.10, 4.21 or 4.15 hereof);

(8) release any Subsidiary Guarantor from any of its Obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in the preceding amendment and waiver provisions.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants described under Article 4 shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or premium, if any, or interest on, the Notes.

Section 9.03 *Supplemental Indenture.*

Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

Section 9.04 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive security and/or indemnity to its reasonable satisfaction. The Trustee (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture, that the supplemental indenture is legal, valid, binding and enforceable against the Company in accordance with its terms and such other matters as the Trustee may request. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE 10
[INTENTIONALLY OMITTED]

ARTICLE 11
NOTE GUARANTEES

Section 11.01 *Guarantee.*

(a) Each Subsidiary Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee, successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts, if any, on the Notes and all other monetary obligations of the Company under this Indenture and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "*Guaranteed Obligations*"). Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Subsidiary Guarantor, and that each such Subsidiary Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Subsidiary Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for non-payment. Each Subsidiary Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (4) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Subsidiary.

(c) Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Subsidiary Guarantors, such that such Subsidiary Guarantor's obligations would be less than the full amount claimed. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Subsidiary Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Subsidiary Guarantor hereunder. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against such Subsidiary Guarantor.

(d) Each Subsidiary Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or would otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, each Subsidiary Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Subsidiary Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee.

(h) Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of Section 11.01.

(i) Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01.

(j) Upon request of the Trustee, each Subsidiary Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 11.02 *Limitation on Liability.*

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Subsidiary Guarantor without rendering the Note Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to ultra vires, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law.

Section 11.03 *Successors and Assigns.*

This Article 11 shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 11.04 *No Waiver.*

Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

Section 11.05 *Modification.*

No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 11.06 *Execution of Supplemental Indenture for Future Subsidiary Guarantors.*

Each Restricted Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 4.17 hereof shall promptly execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary shall become a Subsidiary Guarantor under this Article 11 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Subsidiary Guarantor is a legal, valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms and/or to such other matters as the Trustee may reasonably request.

Section 11.07 *Non-Impairment.*

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

Section 11.08 *Release of Guarantees.*

(a) Subject to paragraphs (b) and (c), each Note Guarantee, once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations, (ii) be binding upon each Subsidiary Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their successors, transferees and assigns.

(b) The Note Guarantee of a Subsidiary Guarantor with respect to the Notes will be automatically and unconditionally released and discharged:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or, consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 5.01 hereof;

(2) in connection with any sale or other disposition of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 4.10 or 5.01 hereof and such Subsidiary Guarantor ceases to be a Restricted Subsidiary of the Company as a result of such sale or other disposition;

(3) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.18 hereof;

(4) upon Legal Defeasance or satisfaction and discharge of the Indenture as provided by Articles 8 and 12 of this Indenture;

(5) upon payment in full of the principal of, premium, if any, and accrued and unpaid interest on, the Notes and all other Obligations that are then due and payable thereunder;

(6) upon the merger or consolidation of any Subsidiary Guarantor with and into the Company or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction) that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to the Company or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction); or

(7) as described under Article 9 hereof.

(c) Each Holder hereby authorizes the Trustee to take all actions to effectuate any release in accordance with the provisions of this Section 11.08, subject to customary and reasonably satisfactory protections and indemnifications provided by the Company to the Trustee.

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01 *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one (1) year and the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(3) the Company or any Subsidiary Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate of the Company and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to sub clause (b) of clause (1) of this Section 12.01, the provisions of Sections 12.02 and 8.06 hereof will survive.

Section 12.02 *Application of Trust Money.*

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any cash in U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided that* if the Company has made any payment of principal of, premium, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the cash in U.S. dollars or non-callable U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *[Intentionally Omitted]*.

Section 13.02 *Notices.*

Any notice or communication by the Company or the Trustee to the others is duly given if in writing, in the English language, and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile transmission, electronic mail (in pdf format) or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company, Studio City Investments Limited, Studio City Company Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, SCP Holdings Limited, SCIP Holdings Limited, SCP One Limited and/or SCP Two Limited:

Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands

With a copy to:

Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to Studio City Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and/or Studio City Developments Limited:

Avenida da Praia Grande
nº 594, 15º andar A
Macau

With a copy to:

Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

With a copy to:
Ashurst Hong Kong
11/F Jardine House
1 Connaught Place
Central, Hong Kong
Facsimile No.: +852 2868 0898
Attention: Anna-Marie Slot

If to Studio City (HK) Two Limited:

36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to the Trustee, the Paying Agent, Registrar and Transfer Agent:
Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2405
New York, NY 10005
United States

Facsimile No.: (732) 578-4635
Attention: Corporates Team – Studio City Finance Limited Deal ID: SF2716

The Company, any Subsidiary Guarantor, the Trustee and any Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be electronically delivered, mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. All notices to the Holders (while any Notes are represented by one or more Global Notes) shall be delivered to DTC, for communication to entitled account Holders, and any obligation to give notice to the Holders will be discharged upon delivery of such notice to DTC. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.If a notice or communication is mailed or delivered in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails or delivers a notice or communication to Holders, it will mail or deliver a copy to the Trustee and each Agent at the same time.

Section 13.03 *Communication by Holders of Notes with Other Holders of Notes.*

Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 13.04 *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05 *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06 *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.07 *No Personal Liability of Directors, Officers, Employees and Stockholders.*

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Subsidiary Guarantor, as such, will have any liability for any obligations of the Company or the Subsidiary Guarantors under the Notes, this Indenture or the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.08 *Governing Law.*

THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 13.09 *No Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 *Successors.*

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee and each Agent in this Indenture will bind their respective successors. All agreements of each Subsidiary Guarantor in this Indenture will bind their respective successors, except as otherwise provided in Section 11.05 hereof.

Section 13.11 *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.12 *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture, and all matters and agreements related thereto (including the Notes), with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture, the Notes or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture, the Notes or related hereto or thereto (including, without limitation, supplements, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("**Executed Documentation**") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee or any Agent acts on any Executed Documentation sent by electronic transmission, the Trustee or any Agent will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee or any Agent shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee or any Agent acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.13 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.14 *Patriot Act*

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA Patriot Act of the United States ("Applicable Law"), the Trustee and Agents are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee and Agents. Accordingly, each of the parties agree to provide to the Trustee and Agents, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee and Agents to comply with Applicable Law.

Section 13.15 *Submission to Jurisdiction; Waiver of Jury Trial*

THE COMPANY AND EACH SUBSIDIARY GUARANTOR HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTE GUARANTEES, THE NOTES AND ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT OR PROCEEDING IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE TRUSTEE OR ANY HOLDER OF THE NOTES TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY APPOINTS LAW DEBENTURE CORPORATE SERVICES INC., 801 2ND AVENUE, SUITE 403, NEW YORK, NEW YORK, 10017, AS ITS AUTHORIZED AGENT IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK UPON WHICH PROCESS MAY BE SERVED IN ANY SUCH SUIT OR PROCEEDING, AND AGREES THAT SERVICE OF PROCESS UPON SUCH AGENT, AND WRITTEN NOTICE OF SAID SERVICE TO THE COMPANY BY THE PERSON SERVING THE SAME TO THE ADDRESS PROVIDED IN SECTION 13.02, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE COMPANY OR ANY SUBSIDIARY GUARANTOR, AS THE CASE MAY BE, IN ANY SUCH SUIT OR PROCEEDING. THE COMPANY AND EACH SUBSIDIARY GUARANTOR FURTHER AGREES TO TAKE ANY AND ALL ACTION AS MAY BE NECESSARY TO MAINTAIN SUCH DESIGNATION AND APPOINTMENT OF SUCH AGENT IN FULL FORCE AND EFFECT FOR SO LONG AS THE NOTES ARE OUTSTANDING FROM THE DATE OF THIS INDENTURE.

EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION 13.15 HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO (OR ASSIGNMENTS OF) THIS INDENTURE. IN THE EVENT OF LITIGATION, THIS INDENTURE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL (WITHOUT A JURY) BY THE COURT.

[Signatures on following page]

SIGNATURES

Dated as of July 15, 2020

STUDIO CITY FINANCE LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY INVESTMENTS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY COMPANY LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOLDINGS TWO LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOLDINGS THREE LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOLDINGS FOUR LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

SCP TWO LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY DEVELOPMENTS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

SCIP HOLDINGS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY RETAIL SERVICES LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY (HK) TWO LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Annie Jaghatspanyan
Name: Annie Jaghatspanyan
Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Paying Agent, Registrar and Transfer Agent

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Annie Jaghatspanyan
Name: Annie Jaghatspanyan
Title: Vice President

EXHIBIT A

[Face of Note]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[*Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture*]

CUSIP:
ISIN:
COMMON CODE:

6.000% Senior Notes due 2025

No.___ _____

STUDIO CITY FINANCE LIMITED

Promises to pay to Cede & Co. or its registered assigns, the principal sum of _____ [*NUMBER IN WORDS*] on July 15, 2025.

Interest Payment Dates: January 15 and July 15

Record Dates: December 31 and June 30

Dated: _____, 20__

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by the duly authorized officers referred to below.

Dated: _____, 20__

STUDIO CITY FINANCE LIMITED, as Company

By: _____
Name:
Title:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, 20__

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name:
Title:

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST*. Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands (the "*Company*"), promises to pay interest on the principal amount of this Note at 6.000% per annum from July 15, 2020 until maturity. The Company will pay interest and Additional Amounts, if any, semi-annually in arrears on January 15 and July 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided that* if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be January 15, 2021. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) *METHOD OF PAYMENT*. The Company will pay interest on the Notes (except defaulted interest) and Additional Amounts, if any, to the Persons who are registered Holders of Notes at the close of business on December 31 or June 30 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, and Additional Amounts, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Additional Amounts, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided that* payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Additional Amounts, if any, on, all Global Notes and all other Notes, the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent, and shall so notify the Trustee and the Paying Agent thereof. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) *PAYING AGENT AND REGISTRAR*. Initially, Deutsche Bank Trust Company Americas will act as Paying Agent, Registrar and Transfer Agent. The Company may change any Paying Agent, Transfer Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act as Paying Agent and Registrar.

(4) *INDENTURE*. The Company issued the Notes under an Indenture dated as of July 15, 2020 (the "*Indenture*") among the Company, each Subsidiary Guarantor, the Trustee, the Paying Agent, the Registrar and other persons from time to time party thereto. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

(5) *OPTIONAL REDEMPTION.*

(a) On or after July 15, 2022, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after July 15, 2022	103.000%
Twelve-month period on or after July 15, 2023	101.500%
On or after July 15, 2024	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph (5), at any time prior to July 15, 2022, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes at a redemption price equal to 106.000% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that* at least 65% in aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption and that such redemption occurs within 45 days of the date of the closing of such Equity Offering.

(c) At any time prior to July 15, 2022, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

(d) Any redemption pursuant to subparagraphs (a), (b) and (c) of this Paragraph (5) may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

(e) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(f) The Notes may also be redeemed in the circumstances described in Sections 3.10 and 3.11 of the Indenture.

(6) *MANDATORY REDEMPTION.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) *REPURCHASE AT THE OPTION OF HOLDER.* The Notes may be subject to a Change of Control Offer, a Special Put Option or an Asset Sale Offer, as further described in Sections 3.09, 4.10, 4.15 and 4.21 of the Indenture.

(8) *NOTICE OF REDEMPTION*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes in denominations larger than US$200,000 may be redeemed in part but only in integral multiples of US$1,000 provided that the unredeemed part has a minimum denomination of US$200,000, unless all of the Notes held by a Holder are to be redeemed.

(9) *DENOMINATIONS, TRANSFER, EXCHANGE*. The Notes are in registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar, the Transfer Agent and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) *PERSONS DEEMED OWNERS*. The registered Holder may be treated as its owner for all purposes.

(11) *AMENDMENT, SUPPLEMENT AND WAIVER*. The Indenture, the Notes or the Note Guarantees may be amended as set forth in the Indenture.

(12) DEFAULTS AND REMEDIES. The events listed in Section 6.01 of the Indenture shall constitute "*Events of Default*" for the purpose of this Note.

(13) *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator or stockholder of the Company, as such, will not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(15) *AUTHENTICATION*. This Note will not be valid until authenticated by the manual or electronic signature of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW.*THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE AND THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Studio City Finance Limited
Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands
Attention: Company Secretary

With a copy to:
Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10, Section 4.15 or Section 4.21 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.15 ☐ Section 4.21

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10, Section 4.15 or Section 4.21 of the Indenture, state the amount you elect to have purchased:

US$_____

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)
Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[*Company address block*]

[*Registrar address block*]

Re: 6.000% Senior Notes due 2025 of Studio City Finance Limited

Reference is hereby made to the Indenture, dated as of July 15, 2020 (the "*Indenture*"), among Studio City Finance Limited, as issuer (the "*Company*"), each Subsidiary Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of US$_____ in such Note[s] or interests (the "*Transfer*"), to _____ (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S**. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

4. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note**.

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____), or

(iii) ☐ Unrestricted Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[*Company address block*]

[*Registrar address block*]

Re: 6.000% Senior Notes due 2025 of Studio City Finance Limited

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of July 15, 2020 (the "*Indenture*"), among Studio City Finance Limited, as issuer (the "*Company*"), each Subsidiary Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of US$_____ in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note.** In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note.** In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note.** In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] ☐ 144A Global Note, ☐ Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*") dated as of _____, among [name of New Subsidiary Guarantor[s]] (the "*New Subsidiary Guarantor*"), Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of British Virgin Islands (the "*Company*") and Deutsche Bank Trust Company Americas, as Trustee (in such role, the "*Trustee*").

WITNESSETH:

WHEREAS the Company, the Trustee and each of the parties described above are parties to an Indenture, dated as of July 15, 2020, as amended (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of the Company's 6.000% Senior Notes due 2025;

WHEREAS, pursuant to Section 9.03 of the Indenture, each New Subsidiary Guarantor is required to execute a supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Subsidiary Guarantor, the Company, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. Pursuant to, and subject to the provisions of, Article 11 of the Indenture, [each][the] New Subsidiary Guarantor (which term includes each other New Subsidiary Guarantor that hereinafter guarantees the Notes pursuant to the terms of the Indenture) hereby unconditionally and irrevocably guarantees, jointly and severally with each other New Subsidiary Guarantor and all Subsidiary Guarantors, to each Holder and to the Trustee and their successors and assigns to the extent set forth in the Indenture and subject to the provisions thereof (a) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under the Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest, premium, if any, on, the Notes and all other monetary obligations of the Company under the Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under the Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). [Each][The] New Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such New Subsidiary Guarantor and that such New Subsidiary Guarantor[s] will remain bound under Article 11 of the Indenture, notwithstanding any extension or renewal of any Guaranteed Obligation.

The Guaranteed Obligations of [each][the] New Subsidiary Guarantor to the Holders of Notes and to the Trustee pursuant to the Indenture as supplemented hereby, are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee.

[*Relevant limitations imposed by local law analogous to Section 11.02 of the Indenture to be inserted, if and as applicable*].

3. Ratification of Indenture: Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; *provided*, *however*, that [the][each] New Subsidiary Guarantor and each Subsidiary Guarantor shall be released from all its obligations with respect to this Guarantee in accordance with the terms of the Indenture, including Section 11.08 of the Indenture and upon any defeasance of the Notes in accordance with Article 8 of the Indenture.

4. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. The recitals of fact contained herein shall be treated as statements of the other parties hereto and not the Trustee.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NAME OF NEW SUBSIDIARY GUARANTOR],
as New Subsidiary Guarantor,

By: _____
Name:
Title:

STUDIO CITY FINANCE LIMITED, as Company

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit 2.33

Execution Version

STUDIO CITY FINANCE LIMITED,

as Company

THE SUBSIDIARY GUARANTORS PARTIES HERETO,

6.500% SENIOR NOTES DUE 2028

INDENTURE

July 15, 2020

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Trustee, Paying Agent, Registrar and Transfer Agent

and

THE OTHER PERSONS FROM TIME TO TIME PARTY HERETO

Table of Contents

EXHIBITS

INDENTURE dated as of July 15, 2020 among Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands with company number 1673307 (the "*Company*"), the Subsidiary Guarantors named herein (the "*Subsidiary Guarantors*") and Deutsche Bank Trust Company Americas, a New York banking corporation as Trustee, Paying Agent, Registrar and Transfer Agent.

Each party agrees as follows for the benefit of each other and for the other parties hereto and for the equal and ratable benefit of the Holders (as defined herein) of the 6.500% Senior Notes due 2028 (the "*Notes*"):

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions.*

"*144A Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, that will be issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Notes*" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 and Section 4.09 hereof, as part of the same series as the Initial Notes; *provided that* any Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued Notes, but shall otherwise be treated as a single class with all other Notes issued under this Indenture.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided that* beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Agent*" means any Registrar, co-registrar, Paying Agent, Transfer Agent or additional paying agents or transfer agents.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

1. 1.0% of the principal amount of the Note; or

2. the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at July 15, 2023, plus (ii) all required interest payments due on the Note through July 15, 2023 (such redemption price being set forth in the table appearing in Section 3.07 hereof) plus (ii) all required interest payments due on the Note through July 15, 2023 (excluding accrued but unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note, if greater,

as calculated by the Company or on behalf of the Company by such Person as the Company may engage. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Paying Agent, the Transfer Agent, or the Registrar.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream, Luxembourg that apply to such transfer or exchange.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided that* the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of this Indenture described in Section 4.15 hereof and/or the provisions described in Section 5.01 hereof and not by the provisions of Section 4.10hereof;

(2) the issuance of Equity Interests in any of the Restricted Subsidiaries of the Company or the sale of Equity Interests in any of the Company's Subsidiaries; and

(3) any Event of Loss.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US$5.0 million;

(2) a transfer of assets between or among the Company and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or a Restricted Subsidiary of the Company;

(4) the sale, license, transfer, lease (including the right to use) or other disposal of products, services, rights, accounts receivable, undertakings, establishments or other current assets or cessation of any undertaking or establishment in the ordinary course of business (including pursuant to any shared services agreements (including the MSA), Revenue Sharing Agreement or any construction and development activities) and any sale or other disposition of damaged, worn-out, surplus or obsolete assets (or the dissolution of any Dormant Subsidiary) in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) any transfer, termination or unwinding or other disposition of Hedging Obligations in the ordinary course of business;

(7) a transaction covered under Section 5.01 or Section 4.15;

(8) the lease of, right to use or equivalent interest under Macau law on that portion of real property granted to Studio City Developments Limited pursuant to the applicable land concession granted by the government of the Macau SAR in connection with the development of the Phase II Project in accordance with such applicable land concession;

(9) a Restricted Payment that does not violate the provisions of Section 4.07 hereof or a Permitted Investment, and any other payment under the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and any transactions or arrangements involving contractual rights under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof;

(10) the (i) lease, sublease, license or right to use of any portion of the Property to persons who, either directly or through Affiliates of such persons, intend to develop, operate or manage gaming, hotel, nightclubs, bars, restaurants, malls, amusements, attractions, recreation, spa, pool, exercise or gym facilities, or entertainment facilities or venues or retail shops or venues or similar or related establishments or facilities within the Property and (ii) the grant of declarations of covenants, conditions and restrictions and/or easements or other rights to use with respect to common area spaces and similar instruments benefiting such tenants of such lease, subleases licenses and rights to use generally and/or entered into connection with the Property (collectively, the "*Venue Easements*"); *provided that* no Venue Easements or operations conducted pursuant thereto would reasonably be expected to materially interfere with, or materially impair or detract from, the operation of the Property;

(11) the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development, construction and operation of the Property; *provided*, that in each case such dedication or other disposition is in furtherance of, and does not materially impair or interfere with the use or operations (or intended use or operations) of, the Property;

(12) the granting of easements, rights of way, rights of access and/or similar rights to any governmental authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to the Property, the real property held by the Company or a Restricted Subsidiary of the Company or the public at large that would not reasonably be expected to interfere in any material respect with the construction, development or operation of the Property;

(13) the granting of a lease, right to use or equivalent interest to Melco Resorts Macau or Melco Resorts or any of its Affiliates for purposes of operating a gaming facility at Studio City, including under the Services and Right to Use Agreement and any related agreements, or any transactions or arrangements contemplated thereby;

(14) the grant of licenses to intellectual property rights to third Persons (other than Affiliates of the Company or any Restricted Subsidiary of the Company) on an arm's length basis in the ordinary course of business or to Melco Resorts Macau, Melco Resorts and its Affiliates in the ordinary course of business;

(15) transfers, assignments or dispositions constituting an Incurrence of a Permitted Lien (but not the actual sale or other disposition of the property subject to such Lien); and

(16) any surrender or waiver of contractual rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business.

"*Bankruptcy Law*" means (i) the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors, (ii) the provisions of the Code of Civil Procedure of Macau that deal with the placement of a debtor into liquidation, the administration and disposal of its assets, the distribution of the proceeds thereof and the alternatives to such liquidation, or any laws of similar effect, and (iii) those laws included, principally within (but not limited to) the BVI Business Companies Act, 2004 (as amended) and the Insolvency Act, 2007 (as amended) concerning the solvency and insolvency of BVI companies.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a finance or capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with U.S. GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided that* the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(2) demand deposits, certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any commercial bank organized under the laws of Macau, Hong Kong, a member state of the European Union or of the United States of America or any state thereof having capital and surplus in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or "A-" or higher by S&P or the equivalent rating category or another internationally recognized rating agency;

(3) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within 12 months after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Casualty*" means any casualty, loss, damage, destruction or other similar loss with respect to real or personal property or improvements.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) (other than Melco Resorts or a Related Party of Melco Resorts);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(3) the first day on which:

(A) Melco Resorts ceases to own, directly or indirectly, (i) a majority, or (ii) if Melco Resorts is authorized by the relevant Gaming Authority or is otherwise permitted to hold less than 50.1% of Equity Interest in Studio City International, the greater of (x) such lesser percentage and (y) 35%, of the outstanding Equity Interests and/or Voting Stock of each of the Company and Studio City Holdings Five Limited (or any Person which becomes a "Golden Shareholder" and/or a "Preference Holder" under the Direct Agreement pursuant to the terms thereof, if any);

(B) Melco Resorts ceases to own, directly or indirectly, less than 50.1% of Equity Interest in Melco Resorts Macau (or another operator of the Studio City Casino); or

(C) Melco Resorts ceases to have, directly or indirectly (through a Subsidiary), the power to nominate a number of directors on the Board of Directors of the Company who are entitled to cast a majority of the votes which may be cast at a meeting of the Board of Directors of the Company.

"*Clearstream, Luxembourg*" means Clearstream Banking S.A.

"*Company*" means Studio City Finance Limited, and any and all successors thereto.

"*Condemnation*" means any taking by a Governmental Authority of assets or property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with U.S. GAAP; *provided that*:

(1) the Net Income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary that is not a Subsidiary Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders *provided, however*, that Consolidated Net Income of the specified Person will be increased by the amount of dividends or similar contributions actually paid in cash (or to the extent converted into cash) to the specified Person or any of its Restricted Subsidiaries that is a Subsidiary Guarantor, to the extent not already included therein;

(3) the cumulative effect of a change in accounting principles will be excluded; and

(4) charges or expenses related to deferred financing fees and Indebtedness issuance costs, including related commissions, fees and expenses, premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, extinguishment, repurchase, cancellation or forgiveness of Indebtedness will be excluded.

"*Corporate Trust Office of the Trustee*" means the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Company.

"*Credit Facilities*" means one or more debt facilities, indentures or commercial paper facilities, in each case, with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or other forms of Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to investors) in whole or in part from time to time.

"*Credit Facilities Documents*" means the collective reference to any Credit Facilities, any notes issued pursuant thereto and the guarantees thereof, and the collateral or other documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"*Custodian*" means Deutsche Bank Trust Company Americas, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Direct Agreement*" means the direct agreement dated November 26, 2013, in relation to (a) the Services and Right to Use Agreement and (b) the Reinvestment Agreement.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Company may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Dormant Subsidiary*" means a Restricted Subsidiary of the Company which does not trade (for itself or as agent for any other person) and does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(4) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period), of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(5) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; *plus*

(6) Pre-Opening Expenses, to the extent such expense were deducted in computing Consolidated Net Income; *plus*

(7) any goodwill or other intangible asset impairment charge; *plus*

(8) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with U.S. GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Company will be added to Consolidated Net Income to compute EBITDA of the Company only to the extent that a corresponding amount was included in the calculation of Consolidated Net Income.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Company or (2) a direct or indirect parent of the Company to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Company (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"*Euroclear*" means Euroclear Bank SA/NV.

"*Event of Loss*" means, with respect to the Company, any Subsidiary Guarantor or any Restricted Subsidiary of the Company that is a Significant Subsidiary, any (1) Casualty, (2) Condemnation or seizure (other than pursuant to foreclosure) or (3) settlement in lieu of clause (2) above, in each case having a fair market value in excess of US$20.0 million.

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the Company subsequent to the Issue Date from:

(1) contributions to its common equity capital; and

(2) the issuance or sale (other than to a Subsidiary of the Company or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) by the Company of shares of its Capital Stock (other than Disqualified Stock) or a share capital increase;

in each case, designated as Excluded Contributions on the date on which such Excluded Contributions were received pursuant to an Officer's Certificate, and excluded from the calculation set forth in Section 4.07(a)(4)(C)(ii) hereof.

"*Excluded Subsidiary*" means a Restricted Subsidiary of the Company which (a) is incorporated solely for the purpose of complying with the requirements of the government of Macau in connection with the conduct of the Permitted Business by the Company and its Restricted Subsidiaries, and (b) does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*Existing Studio City Company Notes*" means the US$850,000,000 7.250% Senior Secured Notes due 2021 of Studio City Company Limited outstanding on the Issue Date.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Indenture).

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (in accordance with Regulation S-X under the Securities Act) as if they had occurred on the first day of the four-quarter reference period;

(2) the EBITDA attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the Obligations giving rise to such Fixed Charges will not be Obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not (i) debt issuance costs, commissions, fees and expenses or (ii) amortization of discount on the Intercompany Note Proceeds Loans), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than Indebtedness secured by a Lien of the type specified in clause (22) of the definition of "Permitted Liens"), whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of such Person (other than Disqualified Stock) or to such Person or a Restricted Subsidiary of such Person, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with U.S. GAAP.

"*Gaming Authorities*" means the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates), or (iii) of the Company or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities (i) at Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates), or (iii) of the Company or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming Licenses*" means any concession, subconcession, license, permit, franchise or other authorization at any time required under any Gaming Laws to own, lease, operate or otherwise conduct the gaming business (i) at Studio City Casino or (ii) of Melco Resorts Macau.

"*Global Note Legend*" means the legend set forth in Section 2.06(f)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Section 2.01, 2.06(b)(3), 2.06(b)(4), and with Section 2.06(d)(2) or 2.06(f) hereof.

"*Governmental Authority*" means the government of the Macau SAR or any other territory, nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep- well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Note is registered.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to U.S. GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Restricted Subsidiary of the Company shall be deemed to be Incurred at the time at which such Person becomes a Restricted Subsidiary of the Company. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.S. GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), (ii) obligations of the Company or a Restricted Subsidiary of the Company to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Company or any of its Restricted Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided that*, in each case of clause (i) and (ii), such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet), or (iii) any lease of property which would be considered an operating lease under U.S. GAAP and any guarantee given by the Company or a Restricted Subsidiary in the ordinary course of business solely in connection with, or in respect of, the obligations of the Company or a Restricted Subsidiary under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with U.S. GAAP;

(B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) that the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Independent Financial Advisor*" means accounting, appraisal or investment banking firm of international standing.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the first US$500,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"*Initial Purchasers*" means Deutsche Bank AG, Singapore Branch or Australia, New Zealand Banking Group Limited, Bank of Communications Co., Ltd. Macau Branch, BOC Asia Limited, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities USA LLC.

"*Intercompany Note Proceeds Loans*" means the one or more intercompany loans between the Company and its Subsidiaries pursuant to which the Company on-lends to its Subsidiaries the net proceeds from the issuance of the Notes in accordance with the terms of the definitive documents with respect to the Notes, as amended from time to time, including in connection with any extension, additional issuance or refinancing thereof.

"*Investment Grade Status*" shall apply at any time the Notes receive (i) a rating equal to or higher than BBB- (or the equivalent) from S&P and (ii) a rating equal to or higher than Baa3 (or the equivalent) from Moody's.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.S. GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of Section 4.07 hereof. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Issue Date*" means the date on which the Notes (other than any Additional Notes) are originally issued.

"*Land Concession*" means the land concession by way of lease, for a period of 25 years, subject to renewal as of October 17, 2001 for a plot of land situated in Cotai, Macau, described with the Macau Immovable Property Registry under No. 23059 and registered in Studio City Developments Limited's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of October 9, 2001, published in the Macau Official Gazette no. 42 of October 17, 2001, as amended by Dispatch of the Secretary for Public Works and Transportation no. 31/2012 of July 19, 2012, published in the Macau Official Gazette no. 30 of July 25, 2012, and by Dispatch of Secretary for Public Works and Transportation no. 92/2015 of September 10, 2015, published in the Macau Official Gazette no. 38 of September 23, 2015 and including any other amendments from time to time to such land concession.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, New York, Hong Kong, Macau, the British Virgin Islands or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"*Measurement Date*" means February 11, 2019.

"*Melco Resorts*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Melco Resorts Macau*" means Melco Resorts (Macau) Limited, a Macau company.

"*Melco Resorts Parties*" means COD Resorts Limited, Altira Resorts Limited, Melco Resorts (Macau) Limited, MPEL Services Limited, Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Resorts Security Services Limited, Melco Resorts Travel Limited, MCE Transportation Limited, MCE Transportation Two Limited and any other Person which accedes to the MSA as a "*Melco Crown Party*" pursuant to terms thereof; and a "*Melco Resorts Party*" means any of them.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*MSA*" means the master services agreement dated December 21, 2015, including any work agreements entered into pursuant to the master services agreement, entered into between the Studio City Parties on the one part and the Melco Resorts Parties on the other part, as amended, modified, supplemented, extended, replaced or renewed from time to time, and any other master services agreement or equivalent agreement or contract, including any work agreements entered into pursuant to any such master services agreement, in each case entered into in connection with the conduct of Permitted Business and on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in an arm's length commercial transaction, as amended, modified, supplemented, extended, replaced or renewed from time to time.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with U.S. GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment, repurchase or cancellation of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.S. GAAP.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender, other than, in the case of (a) and (b), Indebtedness incurred pursuant to Section 4.09(b)(15) hereof; and

(2) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than to the Equity Interests of any Unrestricted Subsidiary).

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Note Guarantee*" means the Guarantee by each Subsidiary Guarantor of the Company's Obligations under this Indenture and the Notes.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated July 8, 2020 in respect of the Notes.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Property Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company or any Directors of the Board or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company which meets the requirements of Section 13.05 hereof.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, Luxembourg, a Person who has an account with the Depositary, Euroclear or Clearstream, Luxembourg, respectively (and, with respect to DTC, shall include Euroclear and Clearstream, Luxembourg).

"*Permitted Business*" means (1) any businesses, services or activities engaged in by the Company or any of its Restricted Subsidiaries on the Issue Date, including, without limitation, the construction, development and operation of the Property, (2) any gaming, hotel, accommodation, hospitality, transport, tourism, resort, food and beverage, retail, entertainment, cinema / cinematic venue, audio-visual production (including provision of sound stage, recording studio and similar facilities), performance, cultural or related business, development, project, undertaking or venture of any kind in the Macau SAR, and (3) any other businesses, services, activities or undertaking that are necessary for, supportive of, or connected, related, complementary, incidental, ancillary or similar to, any of the foregoing or are extensions or developments of any thereof (including in support of the businesses, services, activities and undertakings of the Melco Resorts group as a whole or any member thereof including through participation in shared and centralized services and activities).

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary of the Company; or

(B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;

(5) any acquisition of assets or Capital Stock in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees, officers, or directors made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed US$2.0 million at any one time outstanding;

(9) repurchases of the Notes;

(10) any Investments consisting of gaming credit extended to customers and junket operators in the ordinary course of business and consistent with applicable law and any Investments made or deemed to be made in connection with or through any transactions or arrangements involving contractual rights under, pursuant to or in connection with (i) the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and (ii) any transaction or arrangements made pursuant to clause (10) of the definition of "Asset Sale", including any amendments, modifications, supplements, extensions, replacements, terminations or renewals;

(11) advances to contractors and suppliers and accounts, trade and notes receivables created or acquired in the ordinary course of business;

(12) receivables owing to the Company or any of its Restricted Subsidiaries if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(13) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided that* the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(14) Investments in prepaid expenses, negotiable instruments held for collection, deposits made in connection with self-insurance, and performance and other similar deposits and prepayments made in connection with an acquisition of assets or property in the ordinary course of business by the Company or any Restricted Subsidiary of the Company;

(15) deposits made by the Company or any Restricted Subsidiary of the Company in the ordinary course of business to comply with statutory or regulatory obligations (including land grants) to maintain deposits for the purposes specified by the applicable statute or regulation (including land grants) from time to time;

(16) any Investment consisting of a Guarantee permitted by Section 4.09 hereof and performance guarantees that do not constitute Indebtedness entered into by the Company or any Restricted Subsidiary of the Company in the ordinary course of business;

(17) to the extent constituting an Investment, licenses of intellectual property rights granted by the Company or any Restricted Subsidiary of the Company in the ordinary course of business; *provided*, that such grant does not interfere in any material respect with the ordinary conduct of the business of such Person;

(18) Investments consisting of purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(19) Investments held by a Person that becomes a Restricted Subsidiary of the Company; *provided*, *however*, that such Investments were not acquired in contemplation of the acquisition of such Person;

(20) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(21) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens";

(22) Investments (other than Permitted Investments) made with Excluded Contributions; *provided*, *however*, that any amount of Excluded Contributions made will not be included in the calculation of Section 4.07(a)(4)(C)(ii) hereof;

(23) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons; and

(24) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (24) under the Indenture that are at the time outstanding not to exceed US$5.0 million.

"*Permitted Liens*" means:

(1) Liens to secure Indebtedness permitted by Section 4.09(b)(1)(i)(x) and Section 4.09(b)(3)(a) hereof;

(2) Liens created for the benefit of (or to secure) the Notes (including any Additional Notes) or the Note Guarantees;

(3) Liens in favor of the Company or the Subsidiary Guarantors;

(4) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Subsidiary of the Company; *provided that* such Liens were not created in connection with, or in contemplation of, such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(5) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; *provided that* such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;

(6) Liens incurred or deposits made in the ordinary course of business in connection with workmen's compensation or employment obligations or other obligations of a like nature, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by Section 4.09(b)(4) covering only the assets acquired with or financed by such Indebtedness and directly related assets such as proceeds (including insurance proceeds), improvements, replacements and substitutions thereto;

(8) Liens existing on the Issue Date;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with U.S. GAAP has been made therefor;

(10) Liens imposed by law, such as carriers, warehousemen's, landlord's, suppliers' and mechanics' Liens, in each case, incurred in the ordinary course of business;

(11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under this Indenture; *provided, however,* that:

(A) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under this Indenture, secured by a Lien on the same assets or property securing such Hedging Obligations;

(14) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the money borrowed, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(15) Liens arising out of judgments against such Person not giving rise to an Event of Default, with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, *provided that* any reserve or other appropriate provision as shall be required in conformity with U.S. GAAP shall have been made therefor;

(16) Liens granted to the Trustee for its compensation and indemnities pursuant to this Indenture;

(17) Liens arising out of or in connection with licenses, sublicenses, leases (other than capital leases) and subleases (including rights to use) of assets (including, without limitation, intellectual property) entered into in the ordinary course of business;

(18) Liens upon specific items of inventory or other goods and proceeds of the Company or any of its Restricted Subsidiaries securing obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangement for the sale of goods in the ordinary course of business;

(20) Liens arising under customary provisions limiting the disposition or distribution of assets or property or any related restrictions thereon in operating agreements, joint venture agreements, partnership agreements, contracts for sale and other agreements arising in the ordinary course of business; *provided, that* such Liens do not extend to any assets of the Company or any of its Restricted Subsidiaries other than the assets subject to such agreements or contracts;

(21) Liens on deposits made in the ordinary course of business to secure liability to insurance carriers;

(22) Liens on the Equity Interests of Unrestricted Subsidiaries;

(23) Liens created or Incurred under, pursuant to or in connection with the Services and Right to Use Agreement or the Reinvestment Agreement, including Liens on any revenues or receipts thereunder or any accounts created or maintained thereunder;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries of the Company securing obligations of such joint ventures;

(25) Liens securing Indebtedness Incurred pursuant to Section 4.09(b)(17) hereof;

(26) Liens incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to Obligations that do not exceed US$5.0 million at any one time outstanding; and

(27) Liens securing obligations under a debt service reserve account or interest reserve account (including all dividends, instruments, cash and Cash Equivalents and other property, as applicable, on deposit in such account) established for the benefit of creditors securing Indebtedness to the extent such debt service reserve account or interest reserve account is established in the ordinary course of business consistent with past practice.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided that*:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes and the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is Incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Phase I*" means the approximately 477,110 gross square-meter complex on the Site which contains retail, hotel, gaming, entertainment, food and beverage outlets and entertainment studios and other facilities.

"*Phase II Project*" means the development of the remainder of the Site, which is expected to include one or more types of Permitted Business and will be developed in accordance with the applicable governmental requirements regarding the Site.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"*Pre-Opening Expenses*" means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred with respect to capital projects that are classified as "pre-opening expenses" on the applicable financial statements of the Company and its Restricted Subsidiaries for such period, prepared in accordance with U.S. GAAP.

"*Private Placement Legend*" means the legend set forth in Section 2.06(f)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*Property*" means Phase I and the Phase II Project.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

"*Reinvestment Agreement*" means the reimbursement agreement dated June 15, 2012, between Melco Resorts Macau and Studio City Entertainment Limited, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part from time to time, including pursuant to the Direct Agreement.

"*Related Party*" means*:*

(1) any controlling stockholder or majority-owned Subsidiary of Melco Resorts; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding at least 50.1% interest of which consist of Melco Resorts and/or such other Persons referred to in the immediately preceding clause (1).

"*Responsible Officer,*" when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revenue Sharing Agreement*" means any joint venture, development, management, operating or similar agreement or arrangement for the sharing of revenues, profits, losses, costs or expenses entered into in connection with developments or services complementary or ancillary to the Property in the ordinary course of business (including, for the avoidance of doubt, such agreements or arrangements reasonably necessary to conduct a Permitted Business) and on arms' length terms.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*S&P*" means S&P Global Ratings or any successor to the rating agency business thereof.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Secured Credit Facilities*" means the amended and restated senior secured credit facilities dated November 30, 2016 among Studio City Company Limited, the guarantors named therein, the financial institutions named as lenders therein and the agent for such lenders, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such facilities may be amended, restated, modified, renewed, supplemented, replaced or refinanced from time to time.

"*Services and Right to Use Agreement*" means the services and right to use agreement originally dated May 11, 2007 and as amended and restated on June 15, 2012, executed with Studio City Entertainment Limited (formerly named MSC Diversões, Limitada and New Cotai Entertainment (Macau) Limited), a wholly owned indirect subsidiary of the Company, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part from time to time, including pursuant to the Direct Agreement.

"*SGX-ST*" means the Singapore Exchange Securities Trading Limited or its successor.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent holding company of the Company (or Melco Resorts), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Shareholder Subordinated Debt; *provided that* such Shareholder Subordinated Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien on any assets of the Company or a Restricted Subsidiary of the Company and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Company with its obligations under the Notes, the Note Guarantees, and this Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1- 02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Site*" means an approximately 130,789 square meter parcel of land in the reclaimed area between Taipa and Coloane Island (Cotai), Lotes G300, G310 and G400, registered with the Macau Real Estate Registry under no. 23059.

"*Special Put Option Triggering Event*" means:

(1) any event after which the Gaming License or other permits or authorizations as are necessary for the operation of the Studio City Casino in substantially the same manner and scope as operations are conducted at the Issue Date cease to be in full force and effect, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole; or

(2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; *provided that* such renewal, tender or other process results in the granting or renewal of the relevant Gaming License.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Studio City Casino*" means any casino, gaming business or activities conducted at the Site.

"*Studio City International*" means Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Studio City Parties*" means Studio City International, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Retail Services Limited, Studio City Developments Limited, Studio City Ventures Limited, Studio City Services Limited and any other Person which accedes to the MSA as a "Studio City Party" pursuant to terms thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Company, any Indebtedness of the Company which is by its terms subordinated in right of payment to the Notes, and (b) with respect to any Subsidiary Guarantor, any Indebtedness of such Subsidiary Guarantor which is by its terms subordinated in right of payment to such Subsidiary Guarantor's Obligations in respect of its Note Guarantee.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantor*" means each of (1) Studio City Investments Limited, Studio City Company Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCIP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City (HK) Two Limited and (2) any other Subsidiary of the Company that provides a Note Guarantee in accordance with the provisions of this Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

"*Total Assets*" means, as of any date, the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with U.S. GAAP as shown on the most recent balance sheet of such Person.

"*Transactions*" means the offering of the Notes and the offer to purchase and/or redemption, as the case may be, of the Existing Studio City Company Notes as described in the Offering Memorandum.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to July 15, 2023; provided, however, that if the period from the redemption date to July 15, 2023 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trustee*" means Deutsche Bank Trust Company Americas until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*Unrestricted Definitive Note*" means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Global Note*" means a Global Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 4.11 hereof, is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

"*U.S. GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*U.S. Government Obligations*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided that* (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*U.S. Person*" means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly-Owned Restricted Subsidiary*" is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

Section 1.02 *Other Definitions*.

Term	Defined in Section
"*Additional Amounts*"	2.13
"*Affiliate Transaction*"	4.11
"*Asset Sale Offer*"	3.09
"*Authentication Order*"	2.02
"*Change of Control Offer*"	4.15
"*Change of Control Payment*"	4.15
"*Change of Control Payment Date*"	4.15
"*Covenant Defeasance*"	8.03
"*Designated Subsidiary Guarantor Enforcement Sale*"	11.08
"*direct parent companies*"	4.20
"*DTC*"	2.03
"*Event of Default*"	6.01
"*Excess Proceeds*"	4.10
"*Guaranteed Obligations*"	11.01
"*Legal Defeasance*"	8.02
"*Offer Amount*"	3.09
"*Offer Period*"	3.09
"*Paying Agent*"	2.03
"*Permitted Debt*"	4.09
"*Payment Default*"	6.01
"*Purchase Date*"	3.09
"*Redemption Date*"	3.07
"*Registrar*"	2.03
"*Relevant Jurisdiction*"	2.13
"*Restricted Payments*"	4.07
"*Reversion Date*"	4.21
"*Special Put Option Offer"*	4.21
"*Special Put Option Payment"*	4.21
"*Suspended Covenants*"	4.21
"*Suspension Period*"	4.21
"*Taxes*"	2.13

Section 1.03 *Rules of Construction*.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating.*

(a) *General*. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Subsidiary Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Paying Agent, Trustee or the Registrar, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Euroclear and Clearstream, Luxembourg Procedures Applicable.* The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions—Clearstream Banking, Luxembourg" and "Customer Handbook" of Clearstream, Luxembourg will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream, Luxembourg.

Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual or electronic signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Company may issue additional notes under the Indenture from time to time after the Issue Date. Any issuance of Additional Notes shall be subject to all of the covenants described under Article 4 of this Indenture, including Section 4.09 hereof. The Notes and any Additional Notes subsequently issued under this Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided*, *however* if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will have a separate CUSIP, ISIN or other identifying number.

The Trustee will, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Company pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 *Registrar, Paying Agent and Transfer Agent.*

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment ("*Paying Agent*"). The Company will also maintain a transfer agent (the "*Transfer Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Transfer Agent shall perform the functions of a transfer agent. The Company may appoint one or more co-registrars, one or more additional transfer agents and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent, the Transfer Agent or Registrar without notice to any Holder and shall so notify the Trustee and each Paying Agent thereof in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints Deutsche Bank Trust Company Americas to act as the Registrar, Transfer Agent and Paying Agent and to act as Custodian, with respect to the Global Notes.

Section 2.04 *Paying Agent to Hold Money in Trust.*

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Amounts, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 *Holder Lists.*

The Registrar will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to the paragraph above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication
Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to the paragraph above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any Holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A Holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any Holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (1)(B), (1)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (C) below, each 144A Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

IF AT ANY TIME THE COMPANY DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THIS SECURITY OR BENEFICIAL INTERESTS HEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE, THE COMPANY SHALL REQUIRE SUCH HOLDER TO TRANSFER THIS SECURITY (OR INTEREST HEREIN) TO A TRANSFEREE ACCEPTABLE TO THE COMPANY WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE INDENTURE. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF THIS SECURITY (OR INTEREST HEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE SECURITY, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE SECURITY EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWNACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(B) Except as permitted by subparagraph (C) below, each Regulation S Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWNACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(C) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such increase.

(h) General Provisions Relating to Transfers and Exchanges.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.06, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronic mail (in pdf format).

Section 2.07 *Replacement Notes.*

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Note, including but not limited to the reasonable expenses of counsel and any tax that may be imposed with respect to replacement of such Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, in accordance with this Indenture, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any Subsidiary Guarantor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Subsidiary Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee actually knows are so owned will be so disregarded.

Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation.*

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, in accordance with its customary procedures, and no one else will cancel (subject to the Trustee's retention policy) all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will dispose of such cancelled Notes in its customary manner (subject to the record retention requirement of the Exchange Act). At the request of the company, the Trustee will confirm the cancellation of the Notes delivered to it. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 *Defaulted Interest.*

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; *provided that* no such special record date may be less than ten (10) days prior to the related payment date for such defaulted interest. At least fifteen (15) days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 *Additional Amounts.*

(a) All payments of principal of, premium, if any, and interest on the Notes and all payments under the Note Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever ("*Taxes*") nature imposed or levied by or within any jurisdiction in which the Company or any applicable Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) or any jurisdiction from or through which payment is made by or on behalf of the Company or any Subsidiary Guarantor (including the jurisdiction of any Paying Agent) (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "*Relevant Jurisdiction*"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In such event, the Company or the applicable Subsidiary Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("*Additional Amounts*") as will result in receipt by the Holder of such amounts as would have been received by such holder had no such withholding or deduction been required, *provided that* no Additional Amounts will be payable for or on account of:

(1) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Note Guarantee, as the case may be, and the Relevant Jurisdiction including, without limitation, such holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, other than merely holding such Note or the receipt of payments thereunder or under the Note Guarantee;

(B) the presentation of such Note (where presentation is required) more than thirty (30) days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the failure of the holder or beneficial owner to comply with a timely request of the Company or any Subsidiary Guarantor addressed to the holder or beneficial owner, as the case may be, to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder; or

(D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(2) any estate, inheritance, gift, sale, transfer, excise or personal property or similar tax, assessment or other governmental charge;

(3) any tax, duty, assessment or other governmental charge which is payable other than (i) by deduction or withholding from payments of principal of or interest on the Note or payments under the Note Guarantees, or (ii) by direct payment by the Company or applicable Subsidiary Guarantor in respect of claims made against the Company or the applicable Subsidiary Guarantor;

(4) any tax arising pursuant to Sections 1471—1474 of the U.S. Internal Revenue Code of 1986, as amended, and any successor or amended version that is substantively comparable and not materially more onerous to comply with, any official interpretations thereof, current or future regulations or agreements entered pursuant thereto, any agreement entered pursuant thereto, any U.S. or non-U.S. law enacted in connection with an intergovernmental agreement related thereto, or any rules, regulations, or administrative guidance of any kind relating to any of the foregoing; or

(5) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (1), (2), (3) and (4); or

(b) with respect to any payment of the principal of, or premium, if any, or interest on, such Note or any payment under any Note Guarantee to such holder, if the holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the holder thereof.

In addition to the foregoing, the Company and the Subsidiary Guarantors will also pay and indemnify the holder of a Note for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and other reasonable expenses related thereto) which are levied by any Relevant Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any Note Guarantee or any other document or instrument referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes or any Note Guarantee. The Company and the Subsidiary Guarantors will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Jurisdiction imposing such taxes, in such form as provided in the ordinary course by the Relevant Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustees and the Paying Agent. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent. The Company or the Subsidiary Guarantor, as applicable, will attach to each certified copy a certificate stating (x) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding taxes paid per $1,000 principal amount of the Notes.

(c) Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note or under any Note Guarantee, such mention will be deemed to include
payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Section 2.14 *Forced Sale or Redemption for Non-QIBs.*

(a) The Company has the right to require any Holder of a Note (or beneficial interest therein) that is a U.S. Person and is determined not to have been a QIB at the time of acquisition of such Note or is otherwise determined to be in breach, at the time given, of any of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, to transfer such Security (or beneficial interest therein) to a transferee acceptable to the Company who is able to and who does make all of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, or to redeem such Note (or beneficial interest therein) within 30 days of receipt of notice of the Company's election to so redeem such Holder's Notes on the terms set forth in paragraph (b) below. Pending such transfer or redemption, such Holder will be deemed not to be the Holder of such Note for any purpose, including but not limited to receipt of interest and principal payments on such Note, and such Holder will be deemed to have no interest whatsoever in such Note except as otherwise required to sell or redeem its interest therein.

(b) Any such redemption occurring pursuant to paragraph (a) above shall be at a redemption price equal to the lesser of (i) the Person's cost, plus accrued and unpaid interest, if any, to the redemption date and (ii) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. The Company shall notify the Trustee in writing of any such redemption as soon as practicable.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee.*

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, the Registrar and the Paying Agent, at least 30 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If fewer than all of the Notes are to be redeemed or purchased at any time, the Trustee, the Paying Agent or the Registrar will select Notes for redemption or purchase (i) in compliance with the requirements of the principal national securities exchange, if any, on which Notes are listed and any applicable Depositary procedures, (ii) by lot or such other similar method in accordance with the applicable procedures of the Depositary or any other applicable clearing system (if the Notes are Global Notes), or (iii) if there are no such requirements of such exchange or the Notes are not then listed on a national securities exchange or cleared through the Depositary or any other applicable clearing system, on a *pro rata* basis. No Notes of a principal amount of US$200,000 or less may be redeemed or purchased in part, and if Notes are redeemed or purchased in part, the remaining outstanding amount must be at least equal to US$200,000 and integral multiples of US$1,000 in excess thereof. None of the Trustee, the Paying Agent or the Registrar will be liable for any selections made under this paragraph.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Registrar from the outstanding Notes not previously called for redemption or purchase.

The Registrar will promptly notify the Company in writing of any Definitive Notes selected for redemption or purchase and, in the case of any such Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of US$200,000 or integral multiples of US$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of US$1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption.*

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date (with prior notice to the Trustee) if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Article 8 or 11 hereof.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note, *provided that* the unredeemed portion has a minimum denomination of US$200,000;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes;

(9) if applicable, any condition to such redemption; and

(10) if applicable, that payment of the redemption price and performance of the Company's obligations with respect to such redemption is to be performed by another Person and the identity of such other Person.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; *provided, however*, that the Company has delivered to the Trustee, at least three Business Days prior to the date that the notice of redemption is to be delivered to Holders, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 *Effect of Notice of Redemption.*

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become due and payable on the redemption date at the redemption price stated in such notice, provided, that any redemption pursuant to Paragraph 5 of the Notes may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

Section 3.05 *Deposit of Redemption or Purchase Price.*

No later than 10 a.m. New York time one Business Days prior to the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 *Notes Redeemed or Purchased in Part.*

In the case of Definitive Notes, upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption.*

(a) At any time prior to July 15, 2023, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 106.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that*:

(1) at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the Equity Offering.

(b) At any time prior to July 15, 2023, the Company may redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to satisfaction of one or more conditions precedent.

(c) Except pursuant to the two preceding paragraphs and the provisions under Section 3.10 and Section 3.11 hereof, the Notes will not be redeemable at the Company's option prior to July 15, 2023.

(d) On or after July 15, 2023, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after July15, 2023	103.250%
Twelve-month period on or after July 15, 2024	101.625%
On or after July 15, 2025	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(e) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through Section 3.06 hereof and may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Section 3.08 *Mandatory Redemption.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase Notes as described in Section 4.15 and Section 4.10 hereof. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Section 3.09 *Offer to Purchase by Application of Excess Proceeds.*

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "*Asset Sale Offer*"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Offer Period*"). No later than five Business Days after the termination of the Offer Period (the "*Purchase Date*"), the Company will apply all Excess Proceeds (the "*Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest and Additional Amounts, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in integral multiples of US$200,000 and integral multiples of US$1,000 in excess thereof only;

(6) that Holders electing to have Notes purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased in accordance with Section 3.02 based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of US$200,000, or integral multiples of US$1,000 in excess thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer), *provided* that the unpurchased portion has a minimum denomination of US$200,000.

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary (but subject to Section 3.02), the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered, *provided* that the unpurchased portion has a minimum denomination of US$200,000. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Section 3.01 through Section 3.06 hereof.

Section 3.10 *Redemption for Taxation Reasons.*

The Notes may be redeemed, at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption (the "*Tax Redemption Date*") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective on or after the date of this Indenture with respect to any payment due or to become due under the Notes, this Indenture or a Note Guarantee, the Company or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Company or a Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; *provided that* for the avoidance of doubt, changing the jurisdiction of the Company or a Subsidiary Guarantor is not a reasonable measure for the purposes of this Section 3.10; *provided, further*, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Company or such Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and Opinion of Counsel or opinion of tax consultant as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

Any Notes that are redeemed pursuant to this Section 3.10 will be cancelled.

Section 3.11 *Gaming Redemption.*

Each Holder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority of any jurisdiction in which the Company or any of its Affiliates (including Melco Resorts Macau) conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Company shall have the right, at its option:

(1) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Company's election or such earlier date as may be requested or prescribed by such Gaming Authority; or

(2) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

(A) the lesser of:

(1) the Person's cost, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

(2) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

(B) such other amount as may be required by applicable law or order of the applicable Gaming Authority.

The Company shall notify the Trustee in writing of any such redemption as soon as practicable. Neither the Company nor the Trustee shall be responsible for any costs or expenses any Holder may incur in connection with such Holder's application for a license, qualification or a finding of suitability.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York Time two Business Days prior to the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, interest and Additional Amounts, if any, then due. All the funds provided to the Paying Agent must be in U.S. Dollars.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 *Maintenance of Office or Agency.*

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates Deutsche Bank Trust Company Americas as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 *Reports.*

(a) The Company will provide to the Trustee and the Holders and make available to potential investors:

(1) within 120 days after the end of the Company's fiscal year, annual reports of the Company containing: (a) information with a level of detail that is substantially comparable to the sections in the Offering Memorandum entitled "Selected Consolidated Financial and Operational Data," "Business," "Management," "Related Party Transactions" and "Description of Other Material Indebtedness;" (b) the Company's audited consolidated (i) balance sheet as of the end of the two most recent fiscal years and (ii) income statement and statement of cash flow for the two most recent fiscal years, in each case prepared in accordance with U.S. GAAP and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the two most recent fiscal years for the Company and its Restricted Subsidiaries, including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and any material changes between such two fiscal years and (ii) any material developments in the business of the Company and its Restricted Subsidiaries; and (d) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, unless *pro forma* information has been provided in a previous report pursuant to paragraph (2)(c) below; *provided that* no *pro forma* information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project;

(2) within 60 days after the end of each day of the first three fiscal quarters in each fiscal year of the Company, quarterly reports containing: (a) the Company's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statement of income and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with U.S. GAAP; (b) an operating and financial review of such periods for the Company and its Restricted Subsidiaries including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and material changes between the current period and the period of the prior year and (ii) any material developments in the business of the Company and its Restricted Subsidiaries; (c) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter, *provided that* no pro forma information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project, and *provided further* that the Company may provide any such *pro forma* information relating to a material acquisition within 75 days following such quarterly report in the form of a report provided pursuant to clause (3) below; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (d) of this clause (3) information with respect to (a) any change in the independent accountants of the Company or any of the Significant Subsidiaries of the Company, (b) any material acquisition or disposition, (c) any material event that the Company or any Restricted Subsidiary of the Company announces publicly and (d) any information that the Company is required to make publicly available under the requirements of the SGX-ST or such other exchanges on which the securities of the Company or its Subsidiaries are then listed.

(b) If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of the Company, then the annual and quarterly information required by the paragraphs (a)(1) and (a)(2) hereof shall include a reasonably detailed presentation of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of the Company.

(c) In addition, so long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and in any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the holders of the Notes, securities analysts and prospective investors, upon their request, any information that Rule 144A(d)(4) under the Securities Act would require the Company to provide to such parties.

(d) The Company may elect to satisfy its obligations under this Section 4.03 with respect to all such financial information relating to the Company by furnishing, or making available on the SEC's website, *provided* that the Trustee shall have no responsibility whatsoever to determine whether such filing has occurred, such financial information relating to Studio City International, or by furnishing or making available on the SGX's website such financial information relating to Studio City Company Limited; provided that the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to Studio City International or Studio City Company Limited (as the case may be), on the one hand, and the information relating to the Company and its Restricted Subsidiaries on a stand-alone basis, on the other hand; provided further that the Company shall make no more than two such elections.

(e) All financial statement information required under this covenant shall be prepared on a consistent basis in accordance with U.S. GAAP. In addition, all financial statement information and all reports required under this covenant shall be presented in the English language.

(f) *[Intentionally Omitted]*.

(g) Delivery of such reports, information and documents to the Trustee shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on the Officer's Certificates).

Section 4.04 *Compliance Certificate.*

(a) The Company shall deliver to the Trustee within 120 days after the end of each fiscal year, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) *[Intentionally Omitted]*.

(c) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, as soon as possible and in any event within five (5) Business Days after the Company becomes aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. The Trustee shall not be deemed to have a duty to monitor compliance by the Company, nor to have knowledge of a Default or an Event of Default (other than a payment default on a scheduled interest payment date) unless a Responsible Officer of the Trustee receives written notice thereof, stating that it is a notice of default and referencing the applicable section of this Indenture.

Section 4.05 *Taxes.*

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies required to be paid by the Company or such Subsidiaries except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

Section 4.06 *Stay, Extension and Usury Laws.*

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Limitation on Restricted Payments.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and other than dividends or distributions payable to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any of its direct or indirect parents;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness of the Company or any Subsidiary Guarantor (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Company would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Measurement Date (excluding Restricted Payments permitted by clauses (2) through (12) of Section 4.07(b)) pursuant to this Indenture, is less than the sum of:

(i) 75% of the EBITDA of the Company *less* 2.00 times Fixed Charges for the period (taken as one accounting period) from January 1, 2019 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such EBITDA for such period is a deficit, *minus* 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds received by the Company since the Measurement Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company (in each case, other than in connection with any Excluded Contribution) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); *plus*

(iii) to the extent that any Restricted Investment that was made after the Measurement Date (x) is reduced as a result of payments of dividends to the Company or a Restricted Subsidiary of the Company or (y) is sold for cash or otherwise liquidated or repaid for cash, (in the case of sub-clauses (x) and (y)) the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment or (z) is reduced upon the release of a Note Guarantee granted by the Company or a Restricted Subsidiary of the Company that constituted a Restricted Investment, to the extent that the initial granting of such Note Guarantee reduced the restricted payments capacity under Section 4.07(a)(4)(C); *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Measurement Date is re-designated as a Restricted Subsidiary after the Measurement Date, the lesser of (i) the Fair Market Value of the Company's Restricted Investment in such Subsidiary as of the date of such re-designation or (ii) the Fair Market Value of the net aggregate Investments made by the Company or a Restricted Subsidiary of the Company in such Unrestricted Subsidiary from the date such entity was originally designated as an Unrestricted Subsidiary through the date of such re-designation; *plus*

(v) 100% of the aggregate amount received from the sale of the stock of any Unrestricted Subsidiary of the Company after the Measurement Date or 100% of any dividends received by the Company or a Restricted Subsidiary of the Company after the Measurement Date from an Unrestricted Subsidiary of the Company.

(b) The provisions of Section 4.07(a) hereof will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Company (in each case, other than in connection with any Excluded Contribution); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from Section 4.07(a)(4)(C)(ii) hereof;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the net cash proceeds from a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a *pro rata* basis;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any current or former officer, director or employee of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; *provided that* the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US$1.0 million in any twelve-month period;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary of the Company issued on or after the Issue Date in accordance with the Fixed Charge Coverage Ratio test described in Section 4.09(a) hereof;

(8) any Restricted Payment made or deemed to be made by the Company or a Restricted Subsidiary of the Company under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA;

(9) [RESERVED];

(10) Restricted Payments that are made with Excluded Contributions;

(11) payments to any parent entity in respect of directors' fees, remuneration and expenses (including director and officer insurance (including premiums therefore)) to the extent relating to the Company and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(12) the making of Restricted Payments, if applicable:

(A) in amounts required for any direct or indirect parent of the Company to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Company and general corporate operating and overhead expenses of any direct or indirect parent of the Company in each case to the extent such fees and expenses are attributable to the ownership or operation of the Company, if applicable, and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(B) in amounts required for any direct or indirect parent of the Company, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Company or any of its Restricted Subsidiaries prior to the Issue Date and that has been guaranteed by, or is otherwise considered Indebtedness of, the Company Incurred in accordance with Section 4.09; *provided that* the amount of any such proceeds will be excluded from Section 4.07(a)(4)(C)(ii);

(C) in amounts required for any direct or indirect parent of the Company to pay fees and expenses, other than to Affiliates of the Company, related to any unsuccessful equity or debt offering of such parent; and

(D) payments for services under any Revenue Sharing Agreement that would constitute or be deemed to constitute a Restricted Payment;

(13) any Restricted Payment used to fund the Transactions and the payment of fees and expenses incurred in connection with the Transactions or owed by the Company or any direct or indirect parent of the Company or its Restricted Subsidiaries to Affiliates, and any other payments made, including any such payments made to any direct or indirect parent of the Company to enable it to make payments, in connection with the consummation of the Transactions, whether payable on the Issue Date or thereafter, in each case on terms described in the Offering Memorandum under "Use of Proceeds" and to the extent permitted by Section 4.11;

(14) any Restricted Payments, to the extent required to be made by any Gaming Authority having jurisdiction over the Company or any of its Restricted Subsidiaries or Melco Resorts Macau (or any other operator of the Studio City Casino);

(15) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company or any Restricted Subsidiary; *provided, however*, that any such cash payment shall not be for the purpose of evading the limitation of this Section 4.07;

(16) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Company or any Subsidiary Guarantor pursuant to provisions similar to those described under Section 4.15, *provided that* all Notes tendered by holders of the Notes in connection with a Change of Control Offer have been repurchased, redeemed or acquired for value;

(17) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, that complies with Section 5.01; *provided that* as a result of such consolidation, merger or transfer of assets, the Company shall have made a Change of Control Offer (if required by this Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value; and

(18) other Restricted Payments in an aggregate amount not to exceed US$15.0 million since the Issue Date,

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (12), (13) and (18) of this Section 4.07(b), no Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Section 4.07 will be determined by the Board of Directors of the Company whose resolution with respect thereto will be delivered to the Trustee as set forth in an Officer's Certificate of the Company. The Company's Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of international standing (an "*Independent Financial Advisor*") if the Fair Market Value exceeds US$45.0 million.

Section 4.08 *Dividend and Other Payment Restrictions Affecting Subsidiaries.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause, permit or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The restrictions in Section 4.08(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness or any other agreements in existence on the Issue Date as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements on the Issue Date;

(2) the Credit Facilities Documents (other than the Senior Secured Credit Facilities), and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* such Credit Facilities Documents and the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings thereof are not materially more restrictive, taken as a whole, with respect to such dividend and the other restrictions than those contained in the Senior Secured Credit Facilities;

(3) the Indenture, the Notes and the Note Guarantees;

(4) applicable law, rule, regulation or order, or governmental license, permit or concession;

(5) any agreement or instrument governing Indebtedness or Capital Stock of a Person or assets acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements or instruments; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements or instruments at the time of such acquisition); *provided further, that*, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be Incurred;

(6) customary non-assignment provisions in contracts and licenses including, without limitation, with respect to any intellectual property, entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.08(a)(3);

(8) any agreement for the sale or other disposition of Equity Interests or property or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided that* the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of Section 4.12 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting dividends or the disposition or distribution of assets, property or Equity Interests in joint venture or operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, merger agreements and other similar agreements entered into with the approval of the Company's Board of Directors, which limitation is applicable only to the assets, property or Equity Interests that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(13) any agreement or instrument with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of this Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals, supplements or amendments or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed, supplemented, amended or replaced.

Section 4.09 *Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not issue any shares of Disqualified Stock and the Company will not, and the Company will not permit any of its Restricted Subsidiaries, to issue any shares of Preferred Stock; *provided, however*, that the Company may Incur Indebtedness (including Acquired Indebtedness) or issue Disqualified Stock, and the Company or any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Preferred Stock, if the Fixed Charge Coverage Ratio of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been at least 2.00 to 1.00 determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The provisions of Section 4.09(a) hereof do not apply to the following (collectively, "*Permitted Debt*"):

(1) the Incurrence by the Company and the Subsidiary Guarantors of Indebtedness under Credit Facilities; *provided* that on the date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (1) (together with any refinancing thereof) does not exceed the sum of: (i)(x) US$35.0 million; plus (y) US$100.0 million Incurred in respect of the Phase II Project; *less* (ii), in the case of clause (i)(y), the aggregate amount of all Net Proceeds of Asset Sales applied since the Issue Date to repay any term Indebtedness Incurred pursuant to this clause (1)(i)(y) or to repay any revolving credit indebtedness Incurred under this clause (1)(i)(y) and effect a corresponding commitment reduction thereunder pursuant to Section 4.10 hereof;

(2) the Incurrence of Indebtedness represented by the Notes (other than Additional Notes) and the Note Guarantees (other than Note Guarantees for Additional Notes) and the Intercompany Note Proceeds Loans;

(3) (a) the Incurrence by the Company or the Subsidiary Guarantors of Indebtedness in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (3)(a), not to exceed the greater of (x) an amount equal to 3.5 times the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the relevant time of determination and (y) US$1,200,000,000, and (b) Indebtedness existing on the Issue Date (other than the Existing Studio City Company Notes and Indebtedness described in clauses (1) and (2));

(4) the Incurrence of Indebtedness of the Company or any of its Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or other assets (including through the acquisition of Capital Stock of any person that owns property, plant or other assets which will, upon acquisition, become a Restricted Subsidiary) used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (4), not to exceed the greater of (x) US$50.0 million and (y) 2.0% of Total Assets at any time outstanding;

(5) the Incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be Incurred under Section 4.09(a) or clauses (2), (3)(b), (4), (5) or (15) of this Section 4.09(b);

(6) (a) Obligations in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, bid, appeal and surety bonds and completion or performance guarantees (including the guarantee of any land grant) provided by the Company or any Restricted Subsidiary in connection with the Property or in the ordinary course of business and (b) Indebtedness constituting reimbursement obligations with respect to letters of credit or trade or bank guarantees (including for land grants) issued in the ordinary course of business to the extent that such letters of credit, trade or bank guarantees (including for land grants) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than thirty (30) days following receipt of a demand for reimbursement;

(7) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company or any of its Restricted Subsidiaries; *provided*, *however*, that:

(A) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Subsidiary Guarantor; and

(B) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (7);

(8) shares of Preferred Stock of a Restricted Subsidiary issued to the Company or another Restricted Subsidiary of the Company; *provided that*

(A) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(B) any sale or other transfer of any such Preferred Stock to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an issuance of such Preferred Stock by such Restricted Subsidiary that was not permitted by this clause (8).

(9) the Incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(10) the guarantee by the Company or any Restricted Subsidiary of the Company of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be Incurred by another provision of this Section 4.09; *provided that* if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(11) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

(12) to the extent constituting Indebtedness, agreements to pay service fees to professionals (including architects, engineers, contractors and designers) in furtherance of and/or in connection with the Property or agreements to pay fees and expenses or other amounts pursuant to the Services and Right to Use Agreement or the MSA or otherwise arising under the Services and Right to Use Agreement or the MSA in the ordinary course of business (*provided, that* no such agreements shall give rise to Indebtedness for borrowed money);

(13) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, or performance bonds securing any obligation of the Company or any Restricted Subsidiary of the Company pursuant to such agreements, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided, that* the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received in connection with such disposition;

(14) Obligations in respect of Shareholder Subordinated Debt;

(15) any guarantees made solely in connection with (and limited in scope to) the giving of a Lien of the type specified in clause (22) of "Permitted Liens" to secure Indebtedness of an Unrestricted Subsidiary, the only recourse of which to the Company and its Restricted Subsidiaries is to the Equity Interests subject to the Liens;

(16) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (16), not to exceed US$50.0 million; and

(17) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in respect of the Phase II Project in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (17), not to exceed the greater of (x) 75% of the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available (which figure shall be based on audited financial information, if for an annual period) and (y) US$350.0 million.

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (17) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its Incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4.09. Indebtedness incurred under the Senior Secured Credit Facilities will be deemed to have been incurred in reliance on the exception provided by clause (1)(x) of the definition of Permitted Debt and may not be reclassified and Indebtedness incurred under the Existing Studio City Company Notes will be deemed to have been incurred in reliance on the exception provided by clause (3)(a) of the definition of Permitted Debt and may not be reclassified. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 4.09; provided, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Company as accrued. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary of the Company may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Further, for purposes of determining compliance with this covenant, to the extent the Company or any of its Restricted Subsidiaries guarantees Indebtedness of a direct or indirect parent entity to the extent otherwise permitted by this covenant, the on-loan by such direct or indirect parent entity to the Company or any of its Restricted Subsidiaries of all or a portion of the principal amount of such Indebtedness will not be double counted.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the face amount of the Indebtedness of the other Person.

Section 4.10 *Asset Sales.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale (other than an Event of Loss), unless:

(1) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;

(B) any securities, notes or other Obligations received by the Company or any such Restricted Subsidiary from such transferee that are, within 30 days of the receipt thereof, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any stock or assets of the kind referred to in Section 4.10(b)(2) or Section 4.10(b)(4).

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale (including an Event of Loss), the Company or the applicable Restricted Subsidiary, as the case may be may apply such Net Proceeds:

(1) to repay (a) Indebtedness Incurred under Section 4.09(b)(1) and Section 4.09(b)(17), (b) other Indebtedness of the Company or a Subsidiary Guarantor secured by property and assets that are the subject of such Asset Sale, and, in each case, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (c) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or (d) the Notes pursuant to the redemption provisions of this Indenture;

(2) to acquire all or substantially all of the assets of another Permitted Business, or any Capital Stock of, a Person undertaking another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Company (*provided that* (a) such acquisition funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets or Capital Stock is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds);

(3) to make a capital expenditure (*provided that* any such capital expenditure funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to make such capital expenditure is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss); or

(4) to acquire other assets that are not classified as current assets under U.S. GAAP and that are used or useful in a Permitted Business (*provided that* (a) such acquisition funded from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds); or

(5) enter into a binding commitment regarding clauses (2), (3) or (4) above (in addition to the binding commitments expressly referenced in those clauses); *provided that* such binding commitment shall be treated as a permitted application of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 360-day period. To the extent such acquisition or expenditure is not consummated on or before such 180th day and the Company or such Restricted Subsidiary shall not have applied such Net Proceeds pursuant to clauses (2), (3) or (4) above on or before such 180th day, such commitment shall be deemed not to have been a permitted application of Net Proceeds, and such Net Proceeds will constitute Excess Proceeds.

(c) Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(d) Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this Section 4.10 will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds US$5.0 million, within ten (10) days thereof, the Company shall make an Asset Sale Offer to all Holders with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Company will purchase all tendered Notes on a *pro rata* basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

(e) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Section 3.09 hereof or this Section 4.10, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under Section 3.09 hereof or this Section 4.10 by virtue thereof.

Section 4.11 *Transactions with Affiliates.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$45.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this Section 4.11(a) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company or, if the Board of Directors of the Company has no disinterested directors, approved in good faith by a majority of the members (or in the case of a single member, the sole member) of the Board of Directors of the Company; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$60.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of national standing with experience appraising the terms and conditions of the type of transaction or series of related transactions.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 4.11(a) hereof:

(1) any employment agreement, employee benefit plan (including compensation, retirement, disability, severance and other similar plan), officer or director indemnification, stock option or incentive plan or agreement, employee equity subscription agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Company solely because the Company owns directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable officers' and directors' fees and reimbursement of expenses (including the provision of indemnity to officers and directors) to Persons who are not otherwise Affiliates of the Company;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company or contribution to the common equity capital of the Company;

(6) Restricted Payments (including any payments made under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA) that do not violate Section 4.07 hereof;

(7) any agreement or arrangement existing on the Issue Date, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals (so long as any such agreement or arrangement together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the original agreement or arrangement as in effect on the Issue Date, unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority, in each case having jurisdiction over the Studio City Casino, Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR);

(8) loans or advances to employees (including personnel who provide services to the Company or any of its Restricted Subsidiaries pursuant to the MSA) in the ordinary course of business not to exceed US$2.0 million in the aggregate at any one time outstanding;

(9) [RESERVED];

(10) (a) transactions or arrangements under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof (so long as the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, as in effect on the Issue Date or, as determined in good faith by the Board of Directors of the Company, would not materially and adversely affect the Company's ability to make payments of principal of and interest on the Notes) and (b) other than with respect to transactions or arrangements subject to clause (a) above, transactions or arrangements with customers, clients, suppliers or sellers of goods or services in the ordinary course of business, on terms that are fair to the Company or any of its Restricted Subsidiaries, as applicable, or are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arms-length basis from a Person that is not an Affiliate of the Company, in the case of each of (a) and (b), unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority having jurisdiction over Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR;

(11) the execution of the Transactions, and the payment of all fees and expenses relating to the Transactions described in the Offering Memorandum;

(12) transactions or arrangements to be entered into in connection with the Property in the ordinary course of business (including, for the avoidance of doubt, transactions or arrangements necessary to conduct a Permitted Business) including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof; *provided* that such transactions or arrangements must comply with clauses 4.11(a)(1) and (a)(2)(A) hereof;

(13) transactions or arrangements duly approved by the Audit and Risk Committee of Studio City International so long as Studio City International is listed on the New York Stock Exchange or another internationally recognized stock exchange and the Company delivers to the Trustee a copy of the resolution of the Audit and Risk Committee of Studio City International annexed to an Officer's Certificate certifying that such Affiliate Transaction complies with this clause (13) and that such Affiliate Transaction has been duly approved by the Audit and Risk Committee of Studio City International;

(14) execution, delivery and performance of any tax sharing agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes; and

(15) provision by, between, among, to or from Persons who may be deemed Affiliates of group administrative, treasury, legal, accounting and similar services.

Section 4.12 *Liens.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired or any proceeds, income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens, or, if such Lien is not a Permitted Lien, unless the Notes and the Note Guarantees are secured on a *pari passu* basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

Section 4.13 *Business Activities.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries (taken as a whole).

Section 4.14 *Corporate Existence.*

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided*, *however*, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders.

Section 4.15 *Offer to Repurchase upon Change of Control.*

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full pursuant to Section 3.07 hereof. Within ten (10) days following any Change of Control, except to the extent that the Company has exercised its right to redeem the Notes by delivery of a notice of redemption pursuant to Section 3.03 hereof, the Company shall mail a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date (the "*Change of Control Payment*"));

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(4) that any Note not tendered will continue to accrue interest;

(5) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(6) the Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(7) the Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased, and

(8) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, *provided* that the unpurchased portion has a minimum denomination of US$200,000.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

The Paying Agent will promptly mail (but in any case not later than five (5) days after the Change of Control Payment Date) to each Holder properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, *provided* that the unpurchased portion has a minimum denomination of US$200,000. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.15 hereof and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.03 hereof, unless and until there is a default in payment of the applicable redemption price.

(d) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(e) Notes repurchased by the Company pursuant to a Change of Control Offer will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

(f) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of the Notes pursuant to this Section 4.15. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.15, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.15 by virtue of such compliance.

Section 4.16 *Payments for Consents.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture, the Notes or the Note Guarantees unless such consideration is (1) offered to be paid; and (2) is paid to all Holders that consent, waive or agree to amend within the time frame and on the terms set forth in the solicitation documents relating to such consent, waiver or agreement.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes in connection with an exchange offer, the Company and any of the Restricted Subsidiaries may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company or any of its Restricted Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Company or any of its Restricted Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company or any of its Restricted Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Section 4.17 *Future Subsidiary Guarantors.*

(a) If the Company or any of its Restricted Subsidiaries acquires or creates another Subsidiary after the Issue Date, then the Company shall cause such newly acquired or created Subsidiary to become a Subsidiary Guarantor (in the event that such Subsidiary provides a guarantee of any other Indebtedness of the Company or a Subsidiary Guarantor of the type specified under clauses (1) or (2) of the definition of "Indebtedness"), at which time such Subsidiary shall:

(1) execute a supplemental indenture in the form attached as Exhibit D hereto pursuant to which such Subsidiary shall unconditionally guarantee, on a senior basis, all of the Company's Obligations under this Indenture and the Notes on the terms set forth in this Indenture;

(2) take such further action and execute and deliver such other documents as otherwise may be reasonably requested by the Trustee to give effect to the foregoing; and

(3) deliver to the Trustee an Opinion of Counsel that (i) such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Subsidiary and constitute legal, valid, binding and enforceable Obligations of such Subsidiary.

(b) Notwithstanding the foregoing, any Guarantee of the Notes created pursuant to the provisions described in paragraph (a) above may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) (with respect to any Guarantee created after the date of this Indenture) the release by the holders of the Company's or the Subsidiary Guarantor's Indebtedness described in paragraph (a) above, of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness other than as a result of payment under such guarantee), at a time when:

(A) no other Indebtedness of either the Company or any Subsidiary Guarantor has been guaranteed by such Restricted Subsidiary; or

(B) the holders of all such other Indebtedness that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness other than as a result of payment under such guarantee); or

(2) the release of the Note Guarantees on the terms and conditions and in the circumstances described in Section 11.08 hereof.

(c) Each additional Note Guarantee will be limited as necessary to recognize certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law. Notwithstanding Section 4.17(a) hereof, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (i) any liability for the officers, directors or shareholders of such Restricted Subsidiary or (ii) any significant cost, expense, liability or obligation (including with respect of any Taxes, but excluding any reasonable guarantee or similar fee payable to the Company or a Restricted Subsidiary of the Company) other than reasonable out of pocket expenses.

Section 4.18 *Designation of Restricted and Unrestricted Subsidiaries.*

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default; *provided that* in no event will the business currently operated by the Company, Studio City Developments Limited, Studio City Entertainment Limited or Studio City Hotels Limited be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07 hereof or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate of the Company certifying that such designation complied with the preceding conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Section 4.09 hereof, the Company will be in Default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4.09 hereof, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the reference period; and (2) no Default or Event of Default would be in existence following such designation. On such designation, the Company shall deliver an Officer's Certificate of the Company to the Trustee regarding such designation and certifying that such designation complies with the preceding conditions and the relevant covenants under this Indenture.

Section 4.19 *Listing.*

The Company will use its commercially reasonable efforts to list and maintain the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited or another comparable exchange.

Section 4.20 *Limitations on Use of Proceeds*

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than as set forth under the caption "Use of Proceeds" in the Offering Memorandum.

Section 4.21 *Special Put Option.*

(a) Upon a Special Put Option Triggering Event, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes pursuant to a Special Put Option Offer (as defined below) on the terms set forth in this Section 4.21. In the Special Put Option Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full as described under Section 3.07 hereof.

(b) Within ten days following the occurrence of a Special Put Option Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption as described under Section 3.07 hereof the Company shall mail a notice (a "*Special Put Option Offer*") to each Holder with a copy to the Trustee and the Paying Agent stating:

(1) that a Special Put Option Triggering Event has occurred and that such holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date);

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(3) the instructions determined by the Company, consistent with this Section 4.21, that a Holder must follow in order to have its Notes repurchased.

(c) On the date of repurchase pursuant to a Special Put Option Offer, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Special Put Option Offer;

(2) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Special Put Option Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee, the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

(d) The Paying Agent will promptly mail to each Holder properly tendered the Special Put Option Payment for such Notes, and the Trustee, or its authenticating agent, will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

(e) The provisions described in this Section 4.21 that require the Company to make a Special Put Option Offer following a Special Put Option Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described this Section 4.21 with respect to a Special Put Option Triggering Event, this Indenture does not contain provisions that permit the Holders to require that the Company repurchase or redeem the Notes in the event of a termination, rescission or expiration of any Gaming License.

(f) The Company will not be required to make a Special Put Option Offer upon a Special Put Option Triggering Event if (1) a third party makes the Special Put Option Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Special Put Option Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Special Put Option Offer, or (2) notice of redemption has been given in accordance with Section 3.07 and Section 3.10 hereof pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

(g) Notes repurchased by the Company pursuant to a Special Put Option Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to sub-clause (b)(3) of this Section 4.21 will have the status of Notes issued and outstanding.

(h) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this provision. To the extent that the provisions of any securities laws or regulations conflict with provisions of this provision, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Section 4.22 *Intercompany Note Proceeds Loans*

The Company shall, and shall cause its Restricted Subsidiaries to, ensure that:

(1) the Intercompany Note Proceeds Loans are subordinated in right of payment to the Guarantees provided by the Company's Restricted Subsidiaries party thereto;

(2) the Company will receive interest payments under such Intercompany Note Proceeds Loans in amounts sufficient for the Company to make interest payments under the Notes as they become due; and

(3) the maturity date of such Intercompany Note Proceeds Loans will be same as the maturity date of the Notes.

Section 4.23 *Suspension of Covenants*

(a) The following covenants (the "*Suspended Covenants*") will not apply during any period during which the Notes have an Investment Grade Status (a "*Suspension Period*"): Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 5.01(a)(3) and Section 4.17. Additionally, during any Suspension Period, the Company will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

(b) In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") the Notes cease to have Investment Grade Status, then the Suspended Covenants will apply with respect to events occurring following the Reversion Date (unless and until the Notes subsequently attain an Investment Grade Status, in which case the Suspended Covenants will again be suspended for such time that the Notes maintain an Investment Grade Status); *provided*, *however*, that no Default or Event of Default will be deemed to exist under the Indenture with respect to the Suspended Covenants, and none of the Company or any of its Subsidiaries will bear any liability for any actions taken or events occurring during a Suspension Period and before any related Reversion Date, or any actions taken at any time pursuant to any contractual obligation or binding commitment arising prior to such Reversion Date, regardless of whether those actions or events would have been permitted if the applicable Suspended Covenant had remained in effect during such period. The Company shall notify the Trustee should the Notes achieve Investment Grade Status; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall be under no obligation to notify the holders of the Notes that the Notes have achieved Investment Grade Status.

(c) On each Reversion Date, all Indebtedness Incurred during the Suspension Period prior to such Reversion Date will be deemed to be Indebtedness existing on the Issue Date. For purposes of calculating the amount available to be made as Restricted Payments under Section 4.07(a)(4)(C) hereof on or after the Reversion Date, calculations under such covenant shall be made as though such covenant had been in effect during the entire period of time after the Issue Date (including the Suspension Period). Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (2) through (6) or (18) under Section 4.07(b) hereof will reduce the amount available to be made as Restricted Payments under Section 4.07(a)(4)(C) hereof; provided, that the amount available to be made as Restricted Payments on the Reversion Date shall not be reduced to below zero solely as a result of such Restricted Payments. In addition, for purposes of the other Suspended Covenants, all agreements entered into and all actions taken during the Suspension Period, including, without limitation, the Incurrence of Indebtedness shall be deemed to have been taken or to have existed prior to the Issue Date.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, or Sale of Assets.*

(a) *The Company*. The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of the Company with or a merger of the Company with or into any other Person, the Company shall be the surviving entity of such merger or consolidation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Notes and this Indenture, pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee;

(2) immediately after such transaction, no Default or Event of Default exists; and

(3) the Company, or if applicable, the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made, would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof.

(b) *The Subsidiary Guarantors*. Subject to the Section 11.08(c) hereof, no Subsidiary Guarantor will, and the Company will not permit any Subsidiary Guarantor to, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor in one or more related transactions, to another Person, unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of such Subsidiary Guarantor with or a merger of such Subsidiary Guarantor with or into any other Person, such Subsidiary Guarantor shall be the surviving entity of such consolidation or merger; or

(B) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of such Subsidiary Guarantor under its Note Guarantee and this Indenture, pursuant to a supplemental indenture; and

(2) immediately after such transaction, no Default or Event of Default exists.

(c) This Section 5.01 will not apply to:

(1) a merger of the Company or a Subsidiary Guarantor, as the case may be, with an Affiliate solely for the purpose of reincorporating the Company or a Subsidiary Guarantor, as the case may be, in another jurisdiction; or

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets between or among the Company and the Subsidiary Guarantors or between or among the Subsidiary Guarantors.

Upon consummation of any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets by a Subsidiary Guarantor with or into the Company or another Subsidiary Guarantor in accordance with this Section 5.01 which results in a Subsidiary Guarantor distributing all of its assets (other than *de minimis* assets required by law to maintain its corporate existence) to the Company or another Subsidiary Guarantor, such transferring Subsidiary Guarantor may be wound up pursuant to a solvent liquidation or solvent reorganization, provided it shall have no third party recourse Indebtedness or be the obligor under any intercompany Indebtedness.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided*, *however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

(a) Each of the following is an event of default (an "*Event of Default*"):

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption, upon required repurchase, or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with its obligations under the provisions of Section 3.09, 4.10, 4.15, 4.21 or 5.01 hereof;

(4) failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture,;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates US$20.0 million or more at any time outstanding;

(6) failure by the Company or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction (other than any judgment as to which a reputable third party insurer has accepted full responsibility and coverage) aggregating in excess of US$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case or is the subject of a petition by a creditor to have it declared bankrupt,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary;

(9) except as permitted by this Indenture, (a) any Note Guarantee being held in any judicial proceeding in a competent jurisdiction to be unenforceable or invalid or ceases for any reason to be in full force and effect, or (b) any Person acting on behalf of any Subsidiary Guarantor, denying or disaffirming its Obligations under its Note Guarantee; and

(10) the termination or rescission of any Gaming License or the Macau government takes any formal measure to do so (excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; provided that such renewal, tender or other process results in the granting or renewal of the relevant Gaming License).

Section 6.02 *Acceleration.*

In the case of an Event of Default specified in Section 6.01(a)(7) or 6.01(a)(8) hereof, with respect to the Company, any Restricted Subsidiary of the Company that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately.

The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of all of the Holders, rescind an acceleration (including any related payment default that resulted from such acceleration) and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except non-payment of principal of, premium, if any, or interest on the Notes).

Section 6.03 *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Additional Amounts, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 *Waiver of Past Defaults.*

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase); *provided*, *however*, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority.*

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct, in writing, the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability.

Section 6.06 *Limitation on Suits.*

(a) Subject to the provisions of this Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any Holders unless such Holders have offered to the Trustee indemnity and/or security to its satisfaction against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have made a written request to the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity to its satisfaction; and

(5) during such 60-day period, Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a written direction inconsistent with such request.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 *Rights of Holders to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, Additional Amounts, if any, and interest on the Notes, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; *provided that* a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee.*

If an Event of Default specified in Section 6.01(a)(1) or (a)(2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, Additional Amounts, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and premium, if any and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities.*

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, the Agents, and their respective agents and attorneys for amounts due under Section 7.08 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or any Agent, and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, Additional Amounts, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, Additional Amounts, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) other than with respect to a payment default, the Trustee shall not be charged with knowledge of any Default or Event of Default unless written notice has been delivered to a Responsible Officer at the Corporate Trust Office of the Trustee referencing the applicable provision of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee, to expend or risk its own funds or incur any liability.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee.*

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may engage and consult with professional advisors and counsel selected by it at the reasonable expense of the Company, and the Trustee may rely conclusively upon advice of such professional advisors and counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon by the Trustee and any of its directors, officers, employees or agents duly appointed.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care. The Trustee shall have no duty to monitor the performance of such agents.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. The Trustee shall not be required to take action at the direction of the Company or Holders which conflicts with the requirements of this Indenture or for which it is not indemnified to its satisfaction, or which involves undue risk or would be contrary to applicable law or regulation.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer or a director of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it in its sole discretion against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, epidemic, pandemic (or any government restrictions imposed in response to an epidemic or pandemic) work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services and the unavailability of the Federal Reserve Bank wire or facsimile or other communication facility; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(h) The recitals contained herein and in the Notes are made by the Company and not by the Trustee, and the Trustee, does not assume any responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Notes.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) The rights, privileges, indemnity, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder and each agent, custodian and other Person employed to act hereunder *provided, however* any such agent or custodian shall not be deemed to be a fiduciary;

(l) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture;

(m) In the event that the Trustee and Agents shall be uncertain as to their respective duties or rights hereunder or shall receive instructions, claims or demands from the Company, which in their opinion, conflict with any of the provisions of this Indenture, they shall be entitled to refrain from taking action until directed in writing by a final order or judgment of a court of competent jurisdiction;

(n) So long as any of the Notes remains outstanding, the Company shall provide the Agents with a sufficient number of copies of this Indenture and each of the documents sent to the Trustee or which are required to be made available by stock exchange regulations or stated in the Offering Memorandum relating to the Notes, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office during normal office hours for examination by the Holders and that copies thereof will be furnished to the Holders upon written request at their own expense;

(o) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate and/or an Opinion of Counsel;

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, will be taken and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved;

(q) The Trustee may, before commencing (or at any time during the continuance of) any act, action or proceeding, require the Holders at whose instance it is acting to deposit with the Trustee the Notes held by them, for which Notes the Trustee to which such Notes are deposited shall issue receipts to such Holders;

(r) Notwithstanding any other provision of this Indenture, the Trustee and the Paying Agent shall be entitled to make a deduction or withholding from any payment which they make under this Indenture for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event the Trustee or the Paying Agent, as applicable, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted;

(s) The Trustee shall (except as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Indenture or by applicable law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, absent any wilful misconduct, gross negligence or fraud on the part of the Trustee the Trustee shall not be responsible for any loss, damage, cost, claim or any other liability or inconvenience that may result from the exercise or non-exercise thereof;

(t) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice of the Company mentioned herein shall be sufficiently evidenced if in writing and signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficiently evidenced by a board resolution;

(u) The Trustee shall have no duty to inquire as to the performance of the covenants of the Company or its Restricted Subsidiaries. Delivery of reports, information and documents to the Trustee under Section 4.03 hereof shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates);

(v) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes;

(w) The Trustee is not required to give any bond or surety with respect to the performance of its duty or the exercise of its power under this Indenture or the Notes;

(x) No provision of this Indenture shall require the Trustee to do anything which, in its opinion, may be illegal or contrary to applicable law or regulation;

(y) The Trustee may assume without inquiry in the absence of actual knowledge that the Company is duly complying with its obligations contained in this Indenture required to be performed and observed by them, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred; and

(z) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

Section 7.03 *[Intentionally Omitted.]*

Section 7.04 *Individual Rights of Trustee.*

(a) The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. The Trustee is also subject to Section 7.11 hereof.

(b) If the Trustee becomes a creditor of the Company or a Subsidiary Guarantor, this Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires actual knowledge that it has any conflicting interest it must eliminate such conflict within 90 days or resign.

Section 7.05 *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than the certificate of authentication. The Trustee shall not be deemed to be required to calculate any Fixed Charges, Treasury Rates, Additional Amounts, any make-whole amount, any Fixed Charge Coverage Ratio or other coverage ratio, or otherwise.

Section 7.06 *Notice of Defaults.*

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within ninety (90) days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, Additional Amounts, if any, or interest on, any Note, the Trustee shall not be deemed to have such actual knowledge and may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.07 *[Intentionally Omitted.]*

Section 7.08 *Compensation and Indemnity.*

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder pursuant to a written fee agreement executed or as otherwise agreed by the Trustee and the Company. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses properly incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Subsidiary Guarantors will indemnify the Trustee and its officers, directors, employees and agents against any and all losses, liabilities or expenses (including the fees and expenses of counsel) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Subsidiary Guarantors (including this Section 7.08) and defending itself against any claim (whether asserted by the Company, the Subsidiary Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable solely to its gross negligence, willful misconduct or fraud as determined by a court of competent jurisdiction in a final non-appealable order. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not relieve the Company or any of the Subsidiary Guarantors of their obligations hereunder. The Company or such Subsidiary Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Subsidiary Guarantor need to pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Subsidiary Guarantors under this Section 7.08 will survive the satisfaction and discharge of this Indenture, and the resignation or removal of the Trustee and/or any Agent.

(d) To secure the Company's and the Subsidiary Guarantors' payment obligations in this Section 7.08, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(7) or Section 6.01(a)(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.09 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.11 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one (1) year after the successor Trustee takes office, the holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee at the sole expense of the Company.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.11 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.08 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.09, the Company's obligations under Section 7.08 hereof will continue for the benefit of the retiring Trustee.

Section 7.10 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.11 *Eligibility; Disqualification.*

There shall at all times be a Trustee hereunder that is entitled to carry out the activities of a trustee under the laws of England and Wales, or Hong Kong or the State of New York or is a corporation organized or doing business under the laws of the United States of America or any state thereof or the District of Columbia that is authorized under such laws to exercise corporate trustee power and that is a corporation which is generally recognized as a corporation which customarily performs such corporate trustee roles and provides such corporate trustee services in transactions similar in nature to the offering of the Notes. No obligor under the Notes or Person directly controlling, controlled by, or under common control with such obligor shall serve as trustee under the Notes.

Section 7.12 *Appointment of Co-Trustee.*

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction or otherwise, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustees, of all or any part of this Indenture, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.09 hereof and no notice to the Holders of the appointment of any co-trustee or separate trustee shall be required.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(1) All rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee.

(2) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(3) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Section 7.12. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies, and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 7.13 *Resignation of Agents.*

Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and the Company. The Trustee or the Company may remove any Agent at any time by giving thirty (30) days' prior written notice to such Agent. Upon such notice, a successor Agent shall be appointed by the Company, who shall provide written notice of such to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Company is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent shall deliver any funds then held hereunder in its possession to the Trustee or (i) such Agent may appoint as its successor Agent, any reputable and experienced financial institution acceptable to the Trustee and the Company or (ii) apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The reasonable costs and expenses (including its counsels' fees and expenses) incurred by the Agent in connection with such proceeding shall be paid by the Company. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery of any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.08 hereof.

Section 7.14 *Agents General Provisions.*

(a) The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) The Company and the Agents acknowledge and agree that in the event of a Default or Event of Default, the Trustee may, by notice in writing to the Company and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee. Until they have received such written notice from the Trustee, the Agents shall act solely as agents of the Company and need have no concern for the interests of the Holders.

(c) In the event that instructions given to any Agent are not reasonably clear, then such Agent shall be entitled to seek clarification from the Company or other party entitled to give the Agents instructions under this Indenture. If an Agent has sought clarification in accordance with this Section 7.14(c), then such Agent shall be entitled to take no action until such clarification is provided, and shall not incur any liability for not taking any action pending receipt of such clarification.

(d) The Agents shall only have such duties as expressly set out in this Indenture.

(e) The Company shall provide the Agents with a certified list of authorized signatories.

Section 7.15 *Rights of Trustee in Other Roles.*

All rights, powers and indemnities contained in this Article 7 shall apply to the Trustee in its other roles hereunder and to the Agents.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 *Legal Defeasance and Discharge.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Subsidiary Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their Obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company and the Subsidiary Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's Obligations with respect to the Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee, the Paying Agent and Transfer Agent and the Registrar, and the Company's and the Subsidiary Guarantors' Obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 *Covenant Defeasance.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each of the Subsidiary Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18, 4.19 and 4.21 hereof and Section 5.01(a)(3) hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Subsidiary Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof and Section 6.01(a)(3) through 6.01(a)(5) hereof will not constitute Events of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officer’s Certificate of the Company stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

(8) The Trustee shall be entitled to its usual fees and, in addition, any fees and expenses incurred or charged by the Trustee and its counsel in connection with defeasance, satisfaction and discharge, and investment or custody services provided hereunder.

Section 8.05 *Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06 hereof, all money and non- callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, and Additional Amounts, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non- callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two (2) years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than thirty (30) days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Subsidiary Guarantors' obligations under this Indenture and the Notes and the Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided, however*, that, if the Company makes any payment of principal of, premium, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders of Notes.*

Notwithstanding Section 9.02 of this Indenture, the Company, the Subsidiary Guarantors, the Trustee (as applicable and to the extent each is a party to the relevant document) may amend or supplement this Indenture, the Notes, and/or the Note Guarantees without the consent of any Holder:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Subsidiary Guarantor's Obligations under the Notes or the Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Subsidiary Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any such Holder;

(5) to conform the text of the Notes, this Indenture or the Note Guarantees to any provision of the "Description of Notes" section of the Offering Memorandum, to the extent that such provision in that "Description of Notes" section of the Offering Memorandum was intended to be a verbatim recitation of a provision of the Notes, this Indenture or the Note Guarantees, which intent shall be evidenced by an Officer's Certificate of the Company to that effect;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture; or

(7) to allow any Subsidiary Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes or to release any Subsidiary Guarantor from its Note Guarantee in accordance with the terms of this Indenture.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee, will join with the Company and the Subsidiary Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee nor any Agent will be obligated to (although they may at their discretion) enter into such amended or supplemental indenture that affects their own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 *With Consent of Holders of Notes.*

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof) and the Notes, and the Company, the Trustee and the Subsidiary Guarantors, may amend or supplement the Note Guarantees with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Additional Amounts, if any, or interest on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, 9.06, 13.04 and 13.05 hereof, the Trustee, will join with the Company and the Subsidiary Guarantors in the execution of such amended or supplemental indenture authorized or permitted by the terms of this Indenture unless such amended or supplemental indenture directly affects the Trustee's or any Agent's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee and/or each Agent may in their discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder (including the Additional Notes) affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes (including the Additional Notes) held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of, premium, if any, or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 4.10, 4.21 and 4.15 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or premium, if any, on, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by Section 3.09, 4.10, 4.21 or 4.15 hereof);

(8) release any Subsidiary Guarantor from any of its Obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in the preceding amendment and waiver provisions.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants described under Article 4 shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or premium, if any, or interest on, the Notes.

Section 9.03 *Supplemental Indenture.*

Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

Section 9.04 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive security and/or indemnity to its reasonable satisfaction. The Trustee (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture, that the supplemental indenture is legal, valid, binding and enforceable against the Company in accordance with its terms and such other matters as the Trustee may request. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE 10
[INTENTIONALLY OMITTED]

ARTICLE 11
NOTE GUARANTEES

Section 11.01 *Guarantee.*

(a) Each Subsidiary Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee, successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts, if any, on the Notes and all other monetary obligations of the Company under this Indenture and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "*Guaranteed Obligations*"). Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Subsidiary Guarantor, and that each such Subsidiary Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Subsidiary Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for non-payment. Each Subsidiary Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (4) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Subsidiary.

(c) Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Subsidiary Guarantors, such that such Subsidiary Guarantor's obligations would be less than the full amount claimed. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Subsidiary Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Subsidiary Guarantor hereunder. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against such Subsidiary Guarantor.

(d) Each Subsidiary Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or would otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, each Subsidiary Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Subsidiary Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee.

(h) Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of Section 11.01.

(i) Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01.

(j) Upon request of the Trustee, each Subsidiary Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 11.02 *Limitation on Liability.*

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Subsidiary Guarantor without rendering the Note Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to ultra vires, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law.

Section 11.03 *Successors and Assigns.*

This Article 11 shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 11.04 *No Waiver.*

Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

Section 11.05 *Modification.*

No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 11.06 *Execution of Supplemental Indenture for Future Subsidiary Guarantors.*

Each Restricted Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 4.17 hereof shall promptly execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary shall become a Subsidiary Guarantor under this Article 11 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Subsidiary Guarantor is a legal, valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms and/or to such other matters as the Trustee may reasonably request.

Section 11.07 *Non-Impairment.*

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

Section 11.08 *Release of Guarantees.*

(a) Subject to paragraphs (b) and (c), each Note Guarantee, once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations, (ii) be binding upon each Subsidiary Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their successors, transferees and assigns.

(b) The Note Guarantee of a Subsidiary Guarantor with respect to the Notes will be automatically and unconditionally released and discharged:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or, consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 5.01 hereof;

(2) in connection with any sale or other disposition of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 4.10 or 5.01 hereof and such Subsidiary Guarantor ceases to be a Restricted Subsidiary of the Company as a result of such sale or other disposition;

(3) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.18 hereof;

(4) upon Legal Defeasance or satisfaction and discharge of the Indenture as provided by Articles 8 and 12 of this Indenture;

(5) upon payment in full of the principal of, premium, if any, and accrued and unpaid interest on, the Notes and all other Obligations that are then due and payable thereunder;

(6) upon the merger or consolidation of any Subsidiary Guarantor with and into the Company or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction) that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to the Company or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction); or

(7) as described under Article 9 hereof.

(c) Each Holder hereby authorizes the Trustee to take all actions to effectuate any release in accordance with the provisions of this Section 11.08, subject to customary and reasonably satisfactory protections and indemnifications provided by the Company to the Trustee.

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01 *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one (1) year and the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(3) the Company or any Subsidiary Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate of the Company and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to sub clause (b) of clause (1) of this Section 12.01, the provisions of Sections 12.02 and 8.06 hereof will survive.

Section 12.02 *Application of Trust Money.*

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any cash in U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided that* if the Company has made any payment of principal of, premium, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the cash in U.S. dollars or non-callable U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *[Intentionally Omitted]*.

Section 13.02 *Notices.*

Any notice or communication by the Company or the Trustee to the others is duly given if in writing, in the English language, and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile transmission, electronic mail (in pdf format) or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company, Studio City Investments Limited, Studio City Company Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, SCP Holdings Limited, SCIP Holdings Limited, SCP One Limited and/or SCP Two Limited:

Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands

With a copy to:

Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to Studio City Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and/or Studio City Developments Limited:

Avenida da Praia Grande
nº 594, 15º andar A
Macau

With a copy to:

Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

With a copy to:

Ashurst Hong Kong
11/F Jardine House
1 Connaught Place
Central, Hong Kong
Facsimile No.: +852 2868 0898
Attention: Anna-Marie Slot

If to Studio City (HK) Two Limited:

36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to the Trustee, the Paying Agent, Registrar and Transfer Agent:

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2405
New York, NY 10005
United States

Facsimile No.: (732) 578-4635
Attention: Corporates Team – Studio City Finance Limited Deal ID: SF2716

The Company, any Subsidiary Guarantor, the Trustee and any Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be electronically delivered, mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. All notices to the Holders (while any Notes are represented by one or more Global Notes) shall be delivered to DTC, for communication to entitled account Holders, and any obligation to give notice to the Holders will be discharged upon delivery of such notice to DTC. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.If a notice or communication is mailed or delivered in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails or delivers a notice or communication to Holders, it will mail or deliver a copy to the Trustee and each Agent at the same time.

Section 13.03 *Communication by Holders of Notes with Other Holders of Notes.*

Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 13.04 *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05 *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06 *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.07 *No Personal Liability of Directors, Officers, Employees and Stockholders.*

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Subsidiary Guarantor, as such, will have any liability for any obligations of the Company or the Subsidiary Guarantors under the Notes, this Indenture or the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.08 *Governing Law.*

THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 13.09 *No Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 *Successors.*

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee and each Agent in this Indenture will bind their respective successors. All agreements of each Subsidiary Guarantor in this Indenture will bind their respective successors, except as otherwise provided in Section 11.05 hereof.

Section 13.11 *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.12 *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture, and all matters and agreements related thereto (including the Notes), with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture, the Notes or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture, the Notes or related hereto or thereto (including, without limitation, supplements, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("**Executed Documentation**") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee or any Agent acts on any Executed Documentation sent by electronic transmission, the Trustee or any Agent will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee or any Agent shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee or any Agent acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.13 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.14 *Patriot Act*

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA Patriot Act of the United States ("Applicable Law"), the Trustee and Agents are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee and Agents. Accordingly, each of the parties agree to provide to the Trustee and Agents, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee and Agents to comply with Applicable Law.

Section 13.15 *Submission to Jurisdiction; Waiver of Jury Trial*

THE COMPANY AND EACH SUBSIDIARY GUARANTOR HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTE GUARANTEES, THE NOTES AND ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT OR PROCEEDING IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE TRUSTEE OR ANY HOLDER OF THE NOTES TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY APPOINTS LAW DEBENTURE CORPORATE SERVICES INC., 801 2ND AVENUE, SUITE 403, NEW YORK, NEW YORK, 10017 , AS ITS AUTHORIZED AGENT IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK UPON WHICH PROCESS MAY BE SERVED IN ANY SUCH SUIT OR PROCEEDING, AND AGREES THAT SERVICE OF PROCESS UPON SUCH AGENT, AND WRITTEN NOTICE OF SAID SERVICE TO THE COMPANY BY THE PERSON SERVING THE SAME TO THE ADDRESS PROVIDED IN SECTION 13.02, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE COMPANY OR ANY SUBSIDIARY GUARANTOR, AS THE CASE MAY BE, IN ANY SUCH SUIT OR PROCEEDING. THE COMPANY AND EACH SUBSIDIARY GUARANTOR FURTHER AGREES TO TAKE ANY AND ALL ACTION AS MAY BE NECESSARY TO MAINTAIN SUCH DESIGNATION AND APPOINTMENT OF SUCH AGENT IN FULL FORCE AND EFFECT FOR SO LONG AS THE NOTES ARE OUTSTANDING FROM THE DATE OF THIS INDENTURE.

EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION 13.15 HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO (OR ASSIGNMENTS OF) THIS INDENTURE. IN THE EVENT OF LITIGATION, THIS INDENTURE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL (WITHOUT A JURY) BY THE COURT.

[Signatures on following page]

SIGNATURES

Dated as of July 15, 2020

STUDIO CITY FINANCE LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY INVESTMENTS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY COMPANY LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOLDINGS TWO LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOLDINGS THREE LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOLDINGS FOUR LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

SCP TWO LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY DEVELOPMENTS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

SCIP HOLDINGS LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY RETAIL SERVICES LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

STUDIO CITY (HK) TWO LIMITED

By: /s/ Geoffry Philip Andres
Name: Geoffry Philip Andres
Title: Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Annie Jaghatspanyan
Name: Annie Jaghatspanyan
Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Paying Agent, Registrar and Transfer Agent

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Annie Jaghatspanyan
Name: Annie Jaghatspanyan
Title: Vice President

EXHIBIT A

[Face of Note]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[*Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture*]

CUSIP:
ISIN:
COMMON CODE:

6.500% Senior Notes due 2028

No.___ _____

STUDIO CITY FINANCE LIMITED

Promises to pay to Cede & Co. or its registered assigns, the principal sum of _____ [*NUMBER IN WORDS*] on January 15, 2028.

Interest Payment Dates: January 15 and July 15

Record Dates: December 31 and June 30

Dated: _____, 20__

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by the duly authorized officers referred to below.

Dated: _____, 20__

STUDIO CITY FINANCE LIMITED, as Company

By: _____
Name:
Title:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, 20__

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name:
Title:

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST*. Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands (the "*Company*"), promises to pay interest on the principal amount of this Note at 6.500% per annum from July 15, 2020 until maturity. The Company will pay interest and Additional Amounts, if any, semi-annually in arrears on January 15 and July 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided that* if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be January 15, 2021. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) *METHOD OF PAYMENT*. The Company will pay interest on the Notes (except defaulted interest) and Additional Amounts, if any, to the Persons who are registered Holders of Notes at the close of business on December 31 or June 30 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, and Additional Amounts, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Additional Amounts, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided that* payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Additional Amounts, if any, on, all Global Notes and all other Notes, the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent, and shall so notify the Trustee and the Paying Agent thereof. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) *PAYING AGENT AND REGISTRAR*. Initially, Deutsche Bank Trust Company Americas will act as Paying Agent, Registrar and Transfer Agent. The Company may change any Paying Agent, Transfer Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act as Paying Agent and Registrar.

(4) *INDENTURE*. The Company issued the Notes under an Indenture dated as of July 15, 2020 (the "*Indenture*") among the Company, each Subsidiary Guarantor, the Trustee, the Paying Agent, the Registrar and other persons from time to time party thereto. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

(5) *OPTIONAL REDEMPTION.*

(a) On or after July 15, 2023, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after July 15, 2023	103.250%
Twelve-month period on or after July 15, 2024	101.625%
On or after July 15, 2025	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph (5), at any time prior to July 15, 2023, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes at a redemption price equal to 106.500% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that* at least 65% in aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption and that such redemption occurs within 45 days of the date of the closing of such Equity Offering.

(c) At any time prior to July 15, 2023, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

(d) Any redemption pursuant to subparagraphs (a), (b) and (c) of this Paragraph (5) may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

(e) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(f) The Notes may also be redeemed in the circumstances described in Sections 3.10 and 3.11 of the Indenture.

(6) *MANDATORY REDEMPTION.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) *REPURCHASE AT THE OPTION OF HOLDER.* The Notes may be subject to a Change of Control Offer, a Special Put Option or an Asset Sale Offer, as further described in Sections 3.09, 4.10, 4.15 and 4.21 of the Indenture.

(8) *NOTICE OF REDEMPTION*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes in denominations larger than US$200,000 may be redeemed in part but only in integral multiples of US$1,000 provided that the unredeemed part has a minimum denomination of US$200,000, unless all of the Notes held by a Holder are to be redeemed.

(9) *DENOMINATIONS, TRANSFER, EXCHANGE*. The Notes are in registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar, the Transfer Agent and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) *PERSONS DEEMED OWNERS*. The registered Holder may be treated as its owner for all purposes.

(11) *AMENDMENT, SUPPLEMENT AND WAIVER*. The Indenture, the Notes or the Note Guarantees may be amended as set forth in the Indenture.

(12) DEFAULTS AND REMEDIES. The events listed in Section 6.01 of the Indenture shall constitute "*Events of Default*" for the purpose of this Note.

(13) *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator or stockholder of the Company, as such, will not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(15) *AUTHENTICATION*. This Note will not be valid until authenticated by the manual or electronic signature of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW*. THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE AND THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Studio City Finance Limited
Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands
Attention: Company Secretary

With a copy to:
Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint_____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10, Section 4.15 or Section 4.21 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.15 ☐ Section 4.21

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10, Section 4.15 or Section 4.21 of the Indenture, state the amount you elect to have purchased:

US$_____

Date: _____

Your Signature:_____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[*Company address block*]

[*Registrar address block*]

Re: 6.500% Senior Notes due 2028 of Studio City Finance Limited

Reference is hereby made to the Indenture, dated as of July 15, 2020 (the "*Indenture*"), among Studio City Finance Limited, as issuer (the "*Company*"), each Subsidiary Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of US$_____ in such Note[s] or interests (the "*Transfer*"), to _____ (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A**. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S**. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

4. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note**.

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following: [CHECK ONE OF (a) OR (b)]

   (a) ☐ a beneficial interest in the:

      (i) ☐ 144A Global Note (CUSIP _____), or

      (ii) ☐ Regulation S Global Note (CUSIP _____); or

   (b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

   (a) ☐ a beneficial interest in the:

      (i) ☐ 144A Global Note (CUSIP _____), or

      (ii) ☐ Regulation S Global Note (CUSIP _____), or

      (iii) ☐ Unrestricted Global Note (CUSIP _____); or

   (b) ☐ a Restricted Definitive Note; or

   (c) ☐ an Unrestricted Definitive Note,

   in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[*Company address block*]

[*Registrar address block*]

Re: 6.500% Senior Notes due 2028 of Studio City Finance Limited

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of July 15, 2020 (the "*Indenture*"), among Studio City Finance Limited, as issuer (the "*Company*"), each Subsidiary Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of US$_____ in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐**Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐**Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐**Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐**Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) ☐**Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐**Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note**. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] ☐ 144A Global Note, ☐ Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*") dated as of _____, among [name of New Subsidiary Guarantor[s]] (the "*New Subsidiary Guarantor*"), Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of British Virgin Islands (the "*Company*") and Deutsche Bank Trust Company Americas, as Trustee (in such role, the "*Trustee*").

WITNESSETH:

WHEREAS the Company, the Trustee and each of the parties described above are parties to an Indenture, dated as of July 15, 2020, as amended (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of the Company's 6.500% Senior Notes due 2028;

WHEREAS, pursuant to Section 9.03 of the Indenture, each New Subsidiary Guarantor is required to execute a supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Subsidiary Guarantor, the Company, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. Pursuant to, and subject to the provisions of, Article 11 of the Indenture, [each][the] New Subsidiary Guarantor (which term includes each other New Subsidiary Guarantor that hereinafter guarantees the Notes pursuant to the terms of the Indenture) hereby unconditionally and irrevocably guarantees, jointly and severally with each other New Subsidiary Guarantor and all Subsidiary Guarantors, to each Holder and to the Trustee and their successors and assigns to the extent set forth in the Indenture and subject to the provisions thereof (a) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under the Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest, premium, if any, on, the Notes and all other monetary obligations of the Company under the Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under the Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). [Each][The] New Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such New Subsidiary Guarantor and that such New Subsidiary Guarantor[s] will remain bound under Article 11 of the Indenture, notwithstanding any extension or renewal of any Guaranteed Obligation.

The Guaranteed Obligations of [each][the] New Subsidiary Guarantor to the Holders of Notes and to the Trustee pursuant to the Indenture as supplemented hereby, are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee.

[*Relevant limitations imposed by local law analogous to Section 11.02 of the Indenture to be inserted, if and as applicable*].

3. Ratification of Indenture: Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; *provided*, *however*, that [the][each] New Subsidiary Guarantor and each Subsidiary Guarantor shall be released from all its obligations with respect to this Guarantee in accordance with the terms of the Indenture, including Section 11.08 of the Indenture and upon any defeasance of the Notes in accordance with Article 8 of the Indenture.

4. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. The recitals of fact contained herein shall be treated as statements of the other parties hereto and not the Trustee.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NAME OF NEW SUBSIDIARY GUARANTOR],
as New Subsidiary Guarantor,

By: _____
Name:
Title:

STUDIO CITY FINANCE LIMITED, as Company

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit 2.34

EXECUTION VERSION

MELCO RESORTS FINANCE LIMITED

as Company

5.750% SENIOR NOTES DUE 2028

INDENTURE

July 21, 2020

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and

DEUTSCHE BANK TRUST COMPANY AMERICAS

as Trustee, Paying Agent, Registrar and Transfer Agent

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INDENTURE dated as of July 21, 2020, between Melco Resorts Finance Limited, an exempted company incorporated with limited liability in the Cayman Islands (the "*Company*") and Deutsche Bank Trust Company Americas, a New York banking corporation, as Trustee, Paying Agent, Registrar and Transfer Agent.

Each party agrees as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined herein) of the 5.750% Senior Notes due 2028 (the "*Notes*"):

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions.*

"144A Global Note" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"Additional Notes" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 hereof, as part of the same series as the Initial Notes; *provided* that any Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate CUSIP number than any previously issued Notes, unless the Notes and the Additional Notes are issued with no more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes, but shall otherwise be treated as a single class with all other Notes issued under this Indenture.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Agent*" means any Registrar, co-registrar, Paying Agent, Transfer Agent or additional paying agents or transfer agents.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess of: (a) the present value at such redemption date of (i) the redemption price of the Note at July 21, 2023 (such redemption price being set forth in the table appearing in Section 3.07 hereof) plus (ii) all required interest payments due on the Note through July 21, 2023 (excluding accrued but unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the principal amount of the Note. For the avoidance of doubt, the calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Paying Agent, the Registrar or the Transfer Agent.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"*Bankruptcy Law*" means (i) the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors, (ii) the provisions of the Code of Civil Procedure of Macau that deal with the placement of a debtor into liquidation, the administration and disposal of its assets, the distribution of the proceeds thereof and the alternatives to such liquidation, or any laws of similar effect, and (iii) the provisions of Part V of the Companies Law (Revised) of the Cayman Islands that deal with the winding up or liquidation of a company or any other Cayman Islands law of similar effect.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the Exchange Act) (other than a Sponsor or a Related Party of a Sponsor);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) either (i) the Sponsor ceases collectively to beneficially own, directly or indirectly, at least 30% of the outstanding Capital Stock of the Parent (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (measured in each case, by both voting power and size of equity interests), or (ii) the Parent ceases to beneficially own, directly or indirectly, at least 51% of the outstanding Capital Stock of Melco Resorts Macau (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (measured in each case, by both voting power and size of equity interests); or

(4) the first day on which Parent ceases to own, directly or indirectly, 100% of the outstanding Equity Interests of the Company.

"*Change of Control Triggering Event*" means the occurrence of a Change of Control and a Ratings Decline.

"*Clearstream*" means Clearstream Banking S.A.

"*Company*" means Melco Resorts Finance Limited, and any and all successors thereto.

"*Corporate Trust Office of the Trustee*" will be the designated corporate trust office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of original execution of this Indenture is located at (i) for purposes of surrender, transfer or exchange of any Notes, Deutsche Bank Trust Company Americas, c/o DB Services Americas, Inc., 5022 Gate Parkway, Suite 200, Jacksonville, FL 32256, Attn: Transfer Department and (ii) for all other purposes, Deutsche Bank Trust Company Americas, Trust and Agency Services, 60 Wall Street, 24th Floor, MS NYC 60-2405, New York, New York 10005, USA, Attention: Corporate Team/Melco Resorts Finance Limited or at any other time at such other address as the Trustee may designate from time to time by notice to the parties hereto or at the designated corporate trust office of any successor trustee as to which such successor trustee may notify the parties hereto in writing.

"*Custodian*" means Deutsche Bank Trust Company Americas, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Company or (2) a direct or indirect parent of the Company to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Company (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"*Euroclear*" means Euroclear Bank SA/NV.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*GAAP*" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*Gaming Authorities*" means, in any jurisdiction in which the Company or any of its Subsidiaries or the Sponsor manages or conducts any casino, gaming business or activities, the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities of the Company or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities of Melco Resorts Macau (or any other operator of the casino including the Sponsor or any of its Affiliates) or the Company or any of its Subsidiaries or the Sponsor in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming License*" means the license, concession, subconcession or other authorization from any Government Authority which authorizes, permits, concedes or allows the Company or any of its Subsidiaries, at the relevant time, to own or manage casino or gaming areas or operate casino games of fortune and chance.

"*Global Note Legend*" means the legend set forth in Section 2.06(f)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depositary or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Sections 2.01, 2.06(b)(3), 2.06(b)(4), and with Section 2.06(d)(2) or 2.06(f) hereof.

"*Governmental Authority*" means the government of the Macau SAR or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Note is registered.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Subsidiary of the Company shall be deemed to be Incurred at the time at which such Person becomes a Subsidiary of the Company. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on preferred stock in the form of additional shares of preferred stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing capital lease obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" will not include Shareholder Subordinated Debt (other than for purposes of the definition of "Shareholder Subordinated Debt"). In addition, "Indebtedness" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), or (ii) obligations of the Company or any of its Subsidiaries to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Company or any of its Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided* that, in each case, such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet); or (iii) any lease of property which would be considered an operating lease under GAAP and any guarantee given by the Company or any of its Subsidiaries in the ordinary course of business solely in connection with, or in respect of, the obligations of the Company and its Subsidiaries under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the first US$500,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"*Initial Purchasers*" means Morgan Stanley & Co. LLC, Deutsche Bank AG, Singapore Branch, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities Asia Limited.

"*Investment Grade*" means a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P), a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch), a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's), and the equivalent ratings of any other "nationally recognized statistical rating organization" that is registered as such pursuant to Section 15E of the Exchange Act and Rule 17g thereunder selected by the Company as having been substituted as a Rating Agency for S&P, Fitch or Moody's, as the case may be.

"*Issue Date*" means the date on which the Notes (other than any Additional Notes) are originally issued.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the Cayman Islands, The City of New York, Hong Kong, Macau or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Melco Resorts Macau*" means Melco Resorts (Macau) Limited , formerly known as Melco Crown (Macau) Limited.

"*Moody's*" means Moody's Investors Service, Inc. and any of its successors.

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated July 14, 2020 in respect of the Notes.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company, or any Director of the Board of the Company or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company which meets the requirements of Section 13.05 hereof.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee, or the Registrar (as applicable), that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company.

"*Parent*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Private Placement Legend*" means the legend set forth in Section 2.06(f)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Rating Agencies*" means any of (i) S&P, (ii) Moody's, (iii) Fitch or (iv) if any or all of them shall not make a rating of the Notes publicly available, any other "nationally recognized statistical rating organization" that is registered as such pursuant to Section 15E of the Exchange Act and Rule 17g thereunder selected by the Company as a replacement agency.

"*Rating Category*" means (1) with respect to S&P, any of the following categories: "AAA," "AA," "A," "BBB," "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Aaa," "Aa," "A," "Baa," "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); (3) with respect to Fitch, any of the following categories "AAA," "AA," "A," "BBB," "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories) and (4) the equivalent of any such category of S&P, Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "B+" to "B-," will constitute a decrease of one gradation).

"*Rating Date*" means that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control.

"*Ratings Decline*" means the occurrence on, or within six months after, the date, or public notice of the occurrence of any of the events set forth in clauses (1) to (4) of the definition of Change of Control or the announcement by the Company or any other Person or Persons of the intention by the Company or such other Person or Persons to effect a Change of Control (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

(1) in the event either the Notes or the Company is rated by two Rating Agencies on the Rating Date as Investment Grade, such rating of the Notes or the Company by either such Rating Agency shall be below Investment Grade;

(2) in the event either the Notes or the Company is rated by one, and only one, of the Rating Agencies on the Rating Date as Investment Grade, such rating of the Notes or the Company by such Rating Agency shall be below Investment Grade; or

(3) in the event either the Notes or the Company is rated below Investment Grade by any two Rating Agencies on the Rating Date, such rating of the Notes or the Company by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories); *provided that*, for a decline that occurs during the review period subsequent to the initial occurrence, public notice or notice of intention, such decline will only qualify as a Ratings Decline if (i) such Rating Agencies' published report refers to the Change of Control as a factor, or one of the factors in the downgrade, and (ii) such Rating Agencies have not previously affirmed their ratings following the initial occurrence, public notice or notice of intention.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

"*Related Party*" means*:*

(1) any controlling stockholder, 80% (or more) owned Subsidiary, or immediate family member (in the case of an individual) of the Sponsor; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding an 80% or more controlling interest of which consist of the Sponsor and/or such other Persons referred to in the immediately preceding clause (1).

"*Responsible Officer*" when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor of the Trustee) who shall have direct responsibility for the administration of the Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*S&P*" means Standard & Poor's Ratings Group and any of its successors.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Credit Agreement*" means the credit facilities entered into pursuant to an amendment and restatement agreement dated June 19, 2015, as amended from time to time, between, among others, Melco Resorts Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent, in a total amount of HK$13.65 billion (equivalent to approximately US$1.75 billion), comprising a HK$3.90 billion (equivalent to approximately US$500 million) term loan facility and a HK$9.75 billion (equivalent to approximately US$1.25 billion) revolving credit facility and any incremental facilities thereunder, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such agreement may be further amended, modified or extended from time to time in compliance with the terms of the Indenture, and any refinancing thereof.

"*Senior Revolving Facility Agreement*" means the revolving credit facility entered into pursuant to a facility agreement dated April 29, 2020, between, among others, MCO Nominee One Limited and Bank of China Limited, Macau Branch, as agent, in total amount of HK$14.85 billion (equivalent to approximately US$1.92 billion) and any incremental facilities thereunder, including any related notes, guarantees, instruments and agreements executed in connection therewith, as such agreement may be further amended, modified or extended from time to time in compliance with the terms of the Indenture, and any refinancing thereof.

"*SGX-ST*" means the Singapore Exchange Securities Trading Limited or its successor.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent holding company of the Company (or the Sponsor), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Shareholder Subordinated Debt; *provided* that such Shareholder Subordinated Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien on any assets of the Company or any of its Subsidiaries and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Company with its Obligations under the Notes and this Indenture; and

(7) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company.

"Significant Subsidiary" means any Subsidiary that contributed at least (i) 10% of the total consolidated net income of the Company and its Subsidiaries for the most recently completed fiscal year, or (ii) 10% of the total consolidated assets of the Company and its Subsidiaries as of the end of the most recently completed fiscal year.

"Special Put Option Triggering Event" means:

(1) any event after which none of the Company or any Subsidiary of the Company has such licenses, concessions, subconcessions or other permits or authorizations as are necessary for the Company and its Subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as the Company and its Subsidiaries are entitled to at the Issue Date, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole; or

(2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole.

"Sponsor" means Melco International Development Limited.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholder's agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"Treasury Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to July 21, 2028; *provided, however*, that if the period from the redemption date to July 21, 2028 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trustee" means Deutsche Bank Trust Company Americas until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*Unrestricted Definitive Note"* means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Global Note"* means a Global Note that does not bear and is not required to bear the Private Placement Legend.

"*U.S. Government Obligations"* means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*U.S. Person*" means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Section 1.02 *Other Definitions.*

Term	Defined in Section
"*Additional Amounts*"	2.13
"*Applicable Law*"	13.14
"*Authentication Order*"	2.02
"*Change of Control Offer*"	4.08
"*Change of Control Payment*"	4.08
"*Change of Control Payment Date*"	4.08
"*Covenant Defeasance*"	8.03
"*DTC*"	2.03
"*Event of Default*"	6.01
"*Legal Defeasance*"	8.02
"*Paying Agent*"	2.03
"*Registrar*"	2.03
"*Relevant Jurisdiction*"	2.13
"*Special Put Option Offer*"	4.10
"*Special Put Option Payment*"	4.10
"*Taxes*"	2.13
"*Transfer Agent*"	2.03

Section 1.03 *Rules of Construction.*

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating.*

(a) *General*. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Registrar, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Euroclear and Clearstream Procedures Applicable.* The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions—Clearstream Banking, Luxembourg" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream.

Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual, or electronic, signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Company pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 *Registrar and Paying Agent.*

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment ("*Paying Agent*"). The Company will also maintain a transfer agent (the "*Transfer Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent, Transfer Agent or Registrar without notice to any Holder and shall so notify the Trustee and each Paying Agent thereof in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent, Transfer Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints Deutsche Bank Trust Company Americas to act as the Registrar, Transfer Agent and Paying Agent and to act as Custodian, with respect to the Global Notes.

If and for so long as the Notes are listed on the SGX-ST, and the rules of the SGX-ST so require, in the event that the Global Notes are exchanged for certificated Notes, the Company will appoint and maintain a paying agent in Singapore where the certificated Notes may be presented or surrendered for payment or redemption. In the event that the Global Notes are exchanged for certificated Notes, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificated Notes, including details of the Singapore paying agent by way of an announcement to the SGX-ST, for so long as the Notes are listed on the SGX-ST.

Section 2.04 *Paying Agent to Hold Money in Trust.*

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Amounts, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 *Holder Lists.*

The Registrar will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided*, *however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note*. A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to the paragraph above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to the paragraph above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any Holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A Holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any Holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof, the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (1)(B), (1)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER FOR THE BENEFIT OF THE COMPANY AND ANY OF ITS SUCCESSORS IN INTEREST (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, (2) AGREES THAT IT WILL NOT PRIOR TO THE DATE WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY [RULE 144A] [REGULATION S] UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE DATE OF ORIGINAL ISSUE AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THE NOTES (OR ANY PREDECESSOR THERETO) (THE "RESALE RESTRICTION TERMINATION DATE") RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR A BENEFICIAL INTEREST IN THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON THAT THE SELLER, AND ANY PERSON ACTING ON ITS BEHALF, REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. PROVIDED THAT THE COMPANY, THE TRUSTEE AND THE REGISTRAR SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR PURSUANT TO CLAUSE (D) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, THE TRUSTEE AND THE REGISTRAR IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES," AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such increase.

(h) General Provisions Relating to Transfers and Exchanges.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.06, 3.06, 4.08, 4.10 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07 *Replacement Notes.*

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for its expenses in replacing a Note, including, but not limited to the reasonable expenses of counsel and any tax that may be imposed with respect to replacement of such Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, in accordance with this Indenture, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any of its Subsidiaries, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any of its Subsidiaries, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned will be so disregarded.

Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation.*

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy canceled Notes (subject to the Trustee's record retention requirements). Certification of the destruction of all canceled Notes will be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 *Defaulted Interest.*

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner *plus*, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; *provided* that no such special record date may be less than ten (10) days prior to the related payment date for such defaulted interest. At least fifteen (15) days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 *Additional Amounts.*

(a) All payments by or on behalf of the Company of principal of, and premium, if any, and interest on the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("*Taxes*") imposed or levied by the Cayman Islands, Macau, any jurisdiction in which the Company is resident for tax purposes or any jurisdiction from or through which payments are made by or on behalf of the Company (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "*Relevant Jurisdiction*"), unless such withholding or deduction is required by law. In such event, the Company will make such withholding or deduction, make payment of the amount so withheld or deducted to the appropriate Governmental Authority as required by applicable law and will pay such additional amounts ("*Additional Amounts*") as will result in receipt by the Holder of such amounts as would have been received by such holder had no such withholding or deduction been required; *provided* that no Additional Amounts will be payable with respect to any Note for or on account of:

(1) any Taxes that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note, as the case may be, and the Relevant Jurisdiction including, without limitation, such holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction, being or having been treated as a resident of such Relevant Jurisdiction or being or having been present or engaged in a trade or business in such Relevant Jurisdiction or having or having had a permanent establishment in such Relevant Jurisdiction, other than merely holding such Note or the receipt of payments thereunder;

(B) the presentation of such Note (where presentation is required) more than thirty (30) days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the failure of the Holder or beneficial owner of such Note to comply with a timely request of the Company (or other applicable withholding agent) addressed to such Holder or beneficial owner to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Jurisdiction; or

(D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(2) any estate, inheritance, gift, sale, transfer, excise, personal property, net income or similar Tax;

(3) any Tax arising pursuant to Sections 1471 – 1474 of the U.S. Internal Revenue Code of 1986, as amended, and any successor or amended version that is substantively comparable and not materially more onerous to comply with, any official interpretations thereof, current or future regulations or agreements entered pursuant thereto, any U.S. or non-U.S. law enacted in connection with an intergovernmental agreement related thereto, or any rules, regulations, or administrative guidance of any kind relating to any of the foregoing;

(4) any Taxes that are payable other than (i) by withholding or deduction from payments of principal of, or premium (if any) or interest on the Note, or (ii) by direct payment by the Company in respect of claims made against the Company; or

(5) any combination of Taxes referred to in the preceding clauses (1), (2), (3) and (4); or

(b) with respect to any payment of the principal of, or premium, if any, or interest on, such Note to or for the account of a fiduciary, partnership or other fiscally transparent entity or any other person (other than the sole beneficial owner of such payment) to the extent that a beneficiary or settlor with respect to that fiduciary, or a partner or member of that partnership or fiscally transparent entity or a beneficial owner with respect to such other person, as the case may be, who would not have been entitled to such Additional Amounts had such beneficiary, settlor, partner, member or beneficial owner held directly the Note with respect to which such payment was made.

(c) In addition to the foregoing, the Company will also pay and indemnify the Holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties and interest) which are levied by any Relevant Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, this Indenture or any other document or instrument referred to herein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes. The Company will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Jurisdiction imposing such taxes, in such form as provided in the ordinary course by the Relevant Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustee and the Paying Agent. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent. The Company will attach to each certified copy a certificate stating (x) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding taxes paid per $1,000 principal amount of the Notes.

(d) Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Section 2.14 *Agents.*

(a) Actions of Agents. The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) Agents of Trustee. The Company and the Agents acknowledge and agree that in the event of a Default or Event of Default, the Trustee may, by notice in writing to the Company and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee. Prior to receiving such written notice from the Trustee, the Agents shall be the agents of the Company and need have no concern for the interests of the Holders.

(c) Funds held by Agents. The Agents will hold all funds as banker subject to the terms of this Indenture and as a result such money need not be segregated from other funds except to the extent required by law.

(d) Publication of Notices. For so long as the Notes are held as Book-Entry Interests in Global Notes, any obligation the Agents may have to publish a notice to Holders on behalf of the Company will be satisfied upon delivery of the notice to DTC.

(e) In the event that instructions given to any Agent are not reasonably clear, then such Agent shall be entitled to seek clarification from the Company or other party entitled to give the Agents instructions under this Indenture. If an Agent has sought clarification in accordance with this Section 2.14, then such Agent shall be entitled to take no action until such clarification is provided, and shall not incur any liability for not taking any action pending receipt of such clarification.

(f) Save as provided in this Section 2.14, no Agent shall be under any duty or other obligation towards, or have any relationship of agency or trust for or with, any person other than the Company.

(g) No Agent shall be required to make any payment under this Indenture unless and until it has received the full amount to be paid in accordance with the terms of this Indenture. To the extent that an Agent has made a payment for which it did not receive the full amount, the Company will reimburse the Agent the full amount of any shortfall.

(h) The roles, duties and functions of the Agents are of an administrative nature and each Agent shall only perform those acts and duties as specifically set out in this Indenture and no other acts, covenants, obligations or duties shall be implied or read into this Indenture against any of the Agents.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee.*

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, the Registrar and the Paying Agent, at least 30 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If fewer than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee, the Paying Agent or the Registrar (as applicable) will select Notes for redemption or purchase
(i) in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed and any applicable depositary procedures, (ii) by lot or such other similar method in accordance with the applicable procedures of the Depositary or any other applicable clearing system (if the Notes are Global Notes), or (iii) if there are no such requirements of such exchange or the Notes are not then listed on a national securities exchange or cleared through the Depositary or any other applicable clearing system, on a *pro rata* basis. No Notes of a principal amount of US$200,000 or less may be redeemed or purchased in part, and if Notes are redeemed or purchased in part, the remaining outstanding amount must be at least equal to US$200,000 and integral multiples of US$1,000 in excess thereof. None of the Trustee, the Paying Agent or the Registrar will be liable for any selections made by it under this paragraph.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Registrar from the outstanding Notes not previously called for redemption or purchase.

The Registrar will promptly notify the Company in writing of any Definitive Notes selected for redemption or purchase and, in the case of any such Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of US$200,000 or integral multiples of US$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption.*

Subject to the provisions set forth in the second paragraph of Section 3.07(d), at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date (with prior notice to the Trustee) if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 12 hereof or less than 30 days prior to a redemption date as provided under Section 3.10 hereof.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note; *provided* that the unredeemed portion has a minimum denomination of US$200,000;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes; and

(9) whether the redemption is conditioned on any events and, if so, a reasonably detailed explanation of such conditions.

At the Company's written request, the Paying Agent will give the notice of redemption in the Company's name and at its expense; *provided*, *however*, that the Company has delivered to the Paying Agent, at least three Business Days prior to the date that the notice of redemption is to be delivered to Holders, an Officer's Certificate requesting that the Paying Agent give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 *Effect of Notice of Redemption.*

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become due and payable on the redemption date at the redemption price stated in the notice; *provided* that any notice of redemption given in respect of the redemption referred to in Section 5 of the Notes may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, to the extent permitted by Section 3.07 of the Indenture and Section 5 of the Notes.

Section 3.05 *Deposit of Redemption or Purchase Price.*

No later than 10 a.m. New York time one Business Days prior to the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 *Notes Redeemed or Purchased in Part.*

In the case of Definitive Notes, upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption.*

(a) At any time prior to July 21, 2023, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 105.750% of the principal amount thereof, *plus* accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the related Equity Offering.

(b) At any time prior to July 21, 2023, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of Notes redeemed *plus* the Applicable Premium as of, and accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to satisfaction of one or more conditions precedent.

(c) Except pursuant to the two preceding paragraphs and Sections 3.09 and 3.10, the Notes will not be redeemable at the Company's option prior to July 21, 2023.

(d) On or after July 21, 2023, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, and Additional Amounts, if any, on the Notes redeemed, to but excluding the applicable redemption date, if redeemed during the twelve-month period beginning on July 21 of the years indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Year	Percentage
2023	102.875%
2024	101.438%
2025 and thereafter	100.000%

Any such redemption may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as so delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Unless the Company defaults in the payment of the redemption price or fails to satisfy the conditions precedent to the redemption and thereby terminates the redemption, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(e) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

Section 3.08 *Mandatory Redemption.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase Notes as described in Sections 4.08 and 4.10 hereof. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Section 3.09 *Redemption for Taxation Reasons.*

The Notes may be redeemed, at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed by the Company for redemption (the "*Tax Redemption Date*") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective on or after the date of this Indenture with respect to any payment due or to become due under the Notes or this Indenture, the Company is, or on the next interest payment date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Company, taking reasonable measures available to it; *provided* that for the avoidance of doubt, changing the jurisdiction of the Company is not a reasonable measure for the purposes of this Section 3.09; *provided further* that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Company, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and Opinion of Counsel or opinion of tax consultant as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

Any Notes that are redeemed pursuant to this Section 3.09 will be cancelled.

Section 3.10 *Gaming Redemption.*

Each Holder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority of any jurisdiction in which the Company, any of its Subsidiaries or the Sponsor conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Company shall have the right, at its option:

(1) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Company's election or such earlier date as may be requested or prescribed by such Gaming Authority; or

(2) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

(A) the lesser of:

(1) the person's cost, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

(2) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

(B) such other amount as may be required by applicable law or order of the applicable Gaming Authority.

The Company shall notify the Trustee in writing of any such redemption as soon as practicable. Neither the Company nor the Trustee shall be responsible for any costs or expenses any Holder may incur in connection with such Holder's application for a license, qualification or a finding of suitability.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York Time one Business Day prior to the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful.

Subject to actual receipt of funds as provided in this Section 4.01 by the Paying Agent, such Paying Agent shall make payments on the Notes in accordance with the provisions of this Indenture

Section 4.02 *Maintenance of Office or Agency.*

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates Deutsche Bank Trust Company Americas as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 *Reports.*

(a) The Company will furnish to the Trustee and the Holders or, at the written request and expense of the Company, cause the Trustee to furnish to the Holders, and make available to potential investors:

(1) within 120 days after the end of the Company's fiscal year, annual reports of the Company containing: (a) information with a level of detail that is substantially comparable to the sections in the Offering Memorandum entitled "Selected Consolidated Financial Information", "Business", "Management", "Related Party Transactions" and "Description of Other Material Indebtedness"; (b) the Company's audited consolidated (i) balance sheet as of the end of the two most recent fiscal years and (ii) statement of operations and statement of cash flow for the two most recent fiscal years, in each case prepared in accordance with GAAP and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the two most recent fiscal years for the Company and its Subsidiaries, including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and any material changes between such two fiscal years and (ii) any material developments in the business of the Company and its Subsidiaries; and (d) *pro forma* statement of operations and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, unless *pro forma* information has been provided in a previous report pursuant to paragraph (2)(c) below;

(2) within 60 days after the end of each day of the first three fiscal quarters in each fiscal year of the Company, quarterly reports containing: (a) the Company's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statement of operations and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with GAAP; (b) an operating and financial review of such periods for the Company and its Subsidiaries including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and material changes between the current period and the period of the prior year and (ii) any material developments in the business of the Company and its Subsidiaries; (c) *pro forma* statement of operations and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter; *provided* that the Company may provide any such *pro forma* information relating to a material acquisition within 75 days following such quarterly report in the form of a report provided pursuant to clause (3) below; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (d) of this clause (3) information with respect to (a) any change in the independent accountants of the Company or any of its Significant Subsidiaries, (b) any material acquisition or disposition, (c) any material event that the Company or any of its Subsidiaries announces publicly and (d) any information that the Company is required to make publicly available under the requirements of the Singapore Exchange Securities Trading Limited or such other exchanges on which the securities of the Company or its Subsidiaries are then listed.

The Company may satisfy the requirement to furnish reports or information as described in (1), (2) and (3) above by furnishing, or making available, such required report or information on the website of the SEC or SGX-ST; *provided* that the Trustee shall have no responsibility whatsoever to determine whether such report or information has been furnished or made available on such website.

(b) In addition, so long as any Notes remain outstanding, the Company shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such reports, information and documents shall not constitute notice of any information contained therein, including the Company's compliance with any of the covenants hereunder (as to which the Trustee is entitled to rely exclusively on the Officer's Certificate).

Section 4.04 *Compliance Certificate.*

(a) The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year or at any other times upon the written request of the Trustee, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, as soon as possible and in any event within five (5) Business Days after the Company becomes aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. The Trustee shall not be deemed to have a duty to monitor compliance by the Company, nor to have knowledge of a Default or an Event of Default unless a Responsible Officer of the Trustee receives written notice thereof, stating that it is a notice of default and referencing the applicable section of this Indenture.

Section 4.05 *Taxes.*

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies required to be paid by the Company or such Subsidiaries except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

Section 4.06 *Stay, Extension and Usury Laws.*

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Corporate Existence.*

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided, however,* that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders.

Section 4.08 *Offer to Repurchase upon Change of Control.*

(a) Upon the occurrence of a Change of Control Triggering Event, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes pursuant to a Change of Control Offer (as defined below) on the terms set forth below. In the Change of Control Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full pursuant to Section 3.07 hereof or Section 3.09 hereof. Within twenty (20) days following any Change of Control Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption pursuant to Section 3.03 hereof, the Company shall mail a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee stating:

(1) that a Change of Control Triggering Event has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(4) that any Note not tendered will continue to accrue interest;

(5) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(6) the Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(7) the Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased, and

(8) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that the unpurchased portion has a minimum denomination of US$200,000.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that the unpurchased portion has a minimum denomination of US$200,000. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.08, the Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.08 and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given in accordance with the terms of Section 3.03 hereof or Section 3.09 hereof, pursuant to which the Company exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

(d) A Change of Control Offer may be made in advance of a Change of Control Triggering Event, and conditioned upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(e) Notes repurchased by the Company pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Company. Subject to Section 2.09 hereof, Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

(f) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of the Notes pursuant to this Section 4.08. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.08, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.08 by virtue of such compliance.

Section 4.09 *Listing.*

The Company will use its commercially reasonable efforts to list and maintain the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited or another comparable exchange.

Section 4.10 *Special Put Option.*

(a) Upon a Special Put Option Triggering Event, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes pursuant to a Special Put Option Offer (as defined below) as set forth below. In the Special Put Option Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption pursuant to Section 3.03 hereof. Within ten (10) days following the occurrence of a Special Put Option Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption pursuant to Section 3.03 hereof or Section 3.09 hereof, the Company shall mail a notice (a "*Special Put Option Offer*") to each Holder with a copy to the Trustee and the Paying Agent stating:

(1) that a Special Put Option Triggering Event has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date);

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(3) the instructions determined by the Company, consistent with this covenant, that a Holder must follow in order to have its Notes repurchased.

(b) On the date of repurchase pursuant to a Special Put Option Offer, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Special Put Option Offer;

(2) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Special Put Option Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee, the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the Special Put Option Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

(c) Notwithstanding anything to the contrary in this Section 4.10, the Company will not be required to make a Special Put Option Offer upon a Special Put Option Triggering Event if (1) a third party makes the Special Put Option Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Special Put Option Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Special Put Option Offer, or (2) notice of redemption has been given in accordance with the terms of the Indenture, as described above under Section 3.07 hereof or Section 3.09 hereof pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

(d) Notes repurchased by the Company pursuant to a Special Put Option Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Company. Subject to Section 2.09 hereof, Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

(e) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this provision. To the extent that the provisions of any securities laws or regulations conflict with provisions of this provision, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

(f) The provisions described above that require the Company to make a Special Put Option Offer following a Special Put Option Triggering Event will be applicable whether or not any other provisions of this Indenture are applicable.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, or Sale of Assets.*

(a) The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of the Company with or a merger of the Company with or into any other Person, the Company shall be the surviving corporation of such merger or consolidation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Notes and this Indenture pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee; and

(2) immediately after such transaction, no Default or Event of Default exists.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided, however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

(a) Each of the following is an "*Event of Default*":

(1) default for 30 days in the payment when due of interest on the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company to comply with its obligations under the provisions of Sections 4.08, 4.10 or 5.01 hereof;

(4) failure by the Company for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture;

(5) default under any mortgage, indenture or instrument (other than the Senior Credit Agreement and the Senior Revolving Facility Agreement) under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Subsidiaries (or the payment of which is guaranteed by the Company or any of its Subsidiaries), whether such Indebtedness (or guarantee) now exists, or is created after the date of this Indenture, if such default results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness the maturity of which has been so accelerated, aggregates US$50.0 million or more, if such acceleration is not annulled within 30 days after written notice as provided in this Indenture;

(6) default under the Senior Credit Agreement or the Senior Revolving Facility Agreement that results in the acceleration thereof prior to the final maturity thereof;

(7) failure by the Company or any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction (other than any judgment as to which a reputable third party insurer has accepted full responsibility and coverage) aggregating in excess of US$50.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(8) the Company or any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due;

(9) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or of any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or of any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary.

Section 6.02 *Acceleration.*

In the case of an Event of Default specified in Section 6.01(a)(8) or 6.01(a)(9) hereof, with respect to the Company, any Subsidiary of the Company that is a Significant Subsidiary or any group of Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately.

The Holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of all of the Holders, rescind an acceleration of the Notes or waive any existing Default or Event of Default and its consequences under this Indenture except with respect to a continuing Default or Event of Default in the payment of principal, interest, premium or Additional Amounts, if any, on the Notes; *provided*, *however*, that Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration.

Section 6.03 *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Additional Amounts, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 *Waiver of Past Defaults.*

Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder; *provided* that Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes shall be required to waive a continuing Default or Event of Default in the payment of the principal of, premium, Additional Amounts, if any, or interest on, the Notes; *provided further*, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority.*

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability.

Section 6.06 *Limitation on Suits.*

(a) Subject to the provisions of this Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any Holders unless such Holders have offered to the Trustee indemnity and/or security to its satisfaction against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have made a written request to the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity to its satisfaction; and

(5) during such 60-day period, Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 *Rights of Holders to Receive Payment.*

Subject to Section 9.02 hereof, the right of any Holder to receive payment of principal, premium, Additional Amounts, if any, and interest on the Notes, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of Holders of not less than 90% of the aggregate principal of the then outstanding Notes; *provided* that a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee.*

If an Event of Default specified in Section 6.01(a)(1) or (a)(2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, Additional Amounts, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and premium, if any and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities.*

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, the Agents, and their respective agents and attorneys for amounts due under Section 7.08 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or any Agent, and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, Additional Amounts, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, Additional Amounts, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) the Trustee shall not be charged with knowledge of any Default or Event of Default unless the Company has delivered written notice of such default or Event of Default to a Responsible Officer at the Corporate Trust Office of the Trustee referencing the applicable provision of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee.*

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may engage and consult with professional advisors and counsel selected by it and the Trustee may rely conclusively upon advice of such professional advisors and counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon by the Trustee and any of its directors, officers, employees or agents duly appointed.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care. The Trustee shall have no duty to monitor the performance of such agents.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. The Trustee shall not be required to take action at the direction of the Company or Holders which conflicts with the requirements of this Indenture, or for which it is not indemnified and/or secured to its satisfaction, or which involves undue risk or would be contrary to applicable law or regulation.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee in its sole discretion against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(h) The recitals contained herein and in the Notes are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Notes.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) The rights, privileges, indemnity, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified and/or secured, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder; *provided*, *however*, any such agent or custodian shall not be deemed to be a fiduciary;

(l) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture;

(m) So long as any of the Notes remains outstanding, the Company shall provide the Agents with a sufficient number of copies of this Indenture and each of the documents sent to the Trustee or which are required to be made available by stock exchange regulations or stated in the Offering Memorandum relating to the Notes, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office during normal office hours for examination by the Holders and that copies thereof will be furnished to the Holders upon written request at their own expense;

(n) If the Trustee shall be uncertain as to its duties or rights hereunder, it shall be entitled to refrain from taking action until directed in writing by a final order or judgment of a court of competent jurisdiction.

(o) If the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, to take and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its sole opinion, resolved.

(p) Notwithstanding any other provision of this Indenture, the Trustee and the Paying Agent shall be entitled to make a deduction or withholding from any payment which they make under this Indenture for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event the Trustee or the Paying Agent, as applicable, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.

(q) The Trustee shall (except as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Indenture or by applicable law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, absent any wilful misconduct, gross negligence or fraud on the part of the Trustee, the Trustee shall not be responsible for any loss, damage, cost, claim or any other liability or inconvenience that may result from the exercise or non-exercise thereof.

(r) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice of the Company mentioned herein shall be sufficiently evidenced if in writing and signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficiently evidenced by a board resolution.

(s) The Trustee shall have no duty to inquire as to the performance of the covenants of the Company. Delivery of reports, information and documents to the Trustee under Section 4.03 hereof shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(t) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Global Notes.

(u) The Trustee may assume without inquiry in the absence of actual knowledge that the Company is duly complying with its obligations contained in this Indenture required to be performed and observed by it, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred.

Section 7.03 *[Intentionally Omitted.]*

Section 7.04 *Individual Rights of Trustee.*

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. The Trustee is also subject to Section 7.11 hereof.

Section 7.05 *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication. The Trustee shall not be deemed to be required to calculate any Treasury Rates, Additional Amounts, any make-whole amount, any coverage ratio, or otherwise.

Section 7.06 *Notice of Defaults.*

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within ninety (90) days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, Additional Amounts, if any, or interest on, any Note, the Trustee shall not be deemed to have such actual knowledge and may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.07 *[Intentionally Omitted.]*

Section 7.08 *Compensation and Indemnity.*

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder pursuant to a written fee agreement executed by the Trustee and the Company. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses properly incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company will indemnify the Trustee (which for purposes of this Section 7.08, shall be deemed to include its officers, directors, employees and agents) against any and all losses, liabilities or expenses (including the fees and expenses of counsel) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company (including this Section 7.08) and defending itself against any claim (whether asserted by the Company, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable solely to its gross negligence, willful misconduct or fraud by a court of competent jurisdiction in a final non-appealable order. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not relieve the Company of its obligations hereunder. The Company will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. The Company shall not need to pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company under this Section 7.08 will survive the satisfaction and discharge of this Indenture, and the resignation or removal of the Trustee and/or any Agent, but only in relation to anything done or omitted to be done by such Trustee and/or any such Agent on or prior to such resignation or removal.

(d) To secure the Company's payment obligations in this Section 7.08, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(8) or Section 6.01(a)(9) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.09 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.11 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one (1) year after the successor Trustee takes office, the holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee at the sole expense of the Company.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.11 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will deliver a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.08 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.09, the Company's obligations under Section 7.08 hereof will continue for the benefit of the retiring Trustee.

Section 7.10 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.11 *Eligibility; Disqualification.*

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof, the United Kingdom or Hong Kong that is authorized under such laws to exercise corporate trustee power and that is a corporation which is generally recognized as a corporation which customarily performs such corporate trustee roles and provides such corporate trustee services in transactions similar in nature to the offering of the Notes. No obligor under the Notes or Person directly controlling, controlled by, or under common control with such obligor shall serve as trustee under the Indenture.

Section 7.12 *Appointment of Co-Trustee.*

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction or otherwise, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustees, of all or any part of this Indenture, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.09 and no notice to the Holders of the appointment of any co-trustee or separate trustee shall be required.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(1) All rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee.

(2) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(3) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Section 7.12. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies, and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 7.13 *[Intentionally Omitted]*.

Section 7.14 *Resignation of Agents.*

Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and the Company. The Trustee or the Company may remove any Agent at any time by giving thirty (30) days' prior written notice to such Agent. Upon such notice, a successor Agent shall be appointed by the Company, who shall provide written notice of such appointment to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Company is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent shall deliver any funds then held hereunder in its possession to the Trustee or (i) such Agent may appoint as its successor Agent, any reputable and experienced financial institution acceptable to the Trustee and the Company or (ii) apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The reasonable costs and expenses (including its counsels' fees and expenses) properly incurred by the Agent in connection with such court proceedings shall be paid by the Company. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery of any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.08.

Section 7.15 *Rights of Trustee in Other Roles.*

All rights, powers and indemnities contained in this Article 7 shall apply to the Trustee in its other roles hereunder and the Agents; *provided*, *however*, that each Agent is an agent and not a fiduciary.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 *Legal Defeasance and Discharge.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its Obligations with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's Obligations with respect to such Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee, the Paying Agent, the Registrar and the Transfer Agent hereunder, and the Company's Obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 *Covenant Defeasance.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.08 and 4.09 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Company may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(a)(3) through 6.01(a)(6) hereof will not constitute Events of Default; *provided* that a failure by the Company to comply with its obligations under the provisions of Section 4.10 will constitute an Event of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, and Additional Amounts, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company is a party or by which the Company is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officer’s Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

(8) The Trustee shall be entitled to its usual fees and, in addition, any fees and expenses properly incurred or charged by the Trustee and its counsel in connection with defeasance, satisfaction and discharge, and investment or custody services provided hereunder.

Section 8.05 *Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06 hereof, all money and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the holders of such Notes of all sums due and to become due thereon in respect of principal, premium, and Additional Amounts, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium or Additional Amounts, if any, or interest on, any Note and remaining unclaimed for two (2) years after such principal, premium, or Additional Amounts, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than thirty (30) days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Notes will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided*, *however*, that, if the Company makes any payment of principal of, premium or Additional Amounts, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders of Notes.*

Notwithstanding Section 9.02 of this Indenture, the Company, the Trustee, and each Agent, may amend or supplement this Indenture and the Notes without the consent of any Holder:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided* that such uncertificated Notes are in registered form for U.S. federal income tax purposes;

(3) to provide for the assumption of the Company's Obligations to Holders in the case of a merger or consolidation or sale of all or substantially all of the Company's assets;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any such Holder;

(5) to conform the text of this Indenture to any provision of the "Description of Notes" section of the Offering Memorandum, to the extent that such provision in that "Description of Notes" section of the Offering Memorandum was intended to be a verbatim recitation of a provision of the Notes or this Indenture; or

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture;

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Sections 7.02, 9.06 and 13.04 hereof, the Trustee and each Agent will join with the Company in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee nor any Agent will be obligated to (although they may at their discretion) enter into such amended or supplemental indenture that affects their own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 *With Consent of Holders of Notes.*

Except as provided below in this Section 9.02, the Company, the Trustee and each Agent may amend or supplement this Indenture (including, without limitation, Section 4.08 hereof) and the Notes, with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Additional Amounts, if any, or interest on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture or the Notes, may be waived with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon delivery to the Trustee of evidence satisfactory to the Trustee of the consent of the holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, 9.06 and 13.04 hereof, the Trustee and each Agent will join with the Company in the execution of such amended or supplemental indenture authorized or permitted by the terms of this Indenture unless such amended or supplemental indenture directly affects either the Trustee's or any Agent's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee and each Agent (as the case may be) may in their discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of Holders of 90% of the aggregate principal amount then outstanding of Notes (including the Additional Notes) affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes (including the Additional Notes) held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of, premium, if any, or change the fixed maturity of any Note or alter or waive any provisions with respect to the redemption of the Notes (except as provided above with respect to Section 4.08 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest, premium or Additional Amounts, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest, premium or Additional Amounts, if any, on, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by Section 4.08 hereof); or

(8) make any change in the preceding amendment and waiver provisions.

Section 9.03 *Supplemental Indenture.*

Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

Section 9.04 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture, the Trustee will (subject to Section 7.01 hereof and in addition to Section 7.02 hereof) be fully protected in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture, that the supplemental indenture is legal, valid, binding and enforceable against the Company in accordance with its terms and such other matters as the Trustee may request. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE 10
[INTENTIONALLY OMITTED]

ARTICLE 11
[INTENTIONALLY OMITTED]

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01 *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one (1) year and the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to but excluding the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company is a party or by which the Company is bound;

(3) the Company has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section 12.01, the provisions of Sections 12.02 and 8.06 hereof will survive.

Section 12.02 *Application of Trust Money.*

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium and Additional Amounts, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any cash in U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided* that if the Company has made any payment of principal of, premium or Additional Amounts, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the cash in U.S. dollars or non-callable U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *[Intentionally Omitted]*.

Section 13.02 *Notices.*

Any notice or communication by the Company or the Trustee to the others is duly given if in writing, in the English language, and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile transmission or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company:

Melco Resorts Finance Limited
Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005
Cayman Islands

c/o Melco Resorts & Entertainment Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537-3618
Attention: Company Secretary

Latham & Watkins LLP
18th Floor, One Exchange Square
8 Connaught Place
Central, Hong Kong
Facsimile No.: +852.2912.2600
Attention: Ji-Hyun Helena Kim

If to the Trustee, Paying Agent, Transfer Agent or Registrar:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 24th Floor
Mail Stop: NYC60-2405
New York, New York 10005
USA
Attn: Corporates Team, Melco Resorts
Facsimile: (732) 578-4635

The Company, the Trustee and any Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. All notices to the Holders (while any Notes are represented solely by one or more Global Notes without any Definitive Notes) shall be delivered to DTC, for communication to entitled account Holders, and any obligation to give notice to the Holders will be discharged upon delivery of such notice to DTC. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed, or delivered, in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails , or delivers, a notice or communication to Holders, it will mail, or deliver, a copy to the Trustee and each Agent at the same time.

Section 13.03 *Communication by Holders of Notes with Other Holders of Notes.*

Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 13.04 *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05 *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06 *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar, Transfer Agent or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.07 *No Personal Liability of Directors, Officers, Employees and Stockholders.*

No past, present or future director, officer, employee, incorporator or stockholder of the Company, as such, will have any liability for any obligations of the Company under the Notes or this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.08 *Governing Law.*

THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE AND THE NOTES.

Section 13.09 *No Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 *Successors.*

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee and each Agent in this Indenture will bind their respective successors.

Section 13.11 *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.12 *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture, and all matters and agreements related thereto (including the Notes), with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture, the Notes or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture, the Notes or related hereto or thereto (including, without limitation, supplements, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("*Executed Documentation*") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee or any Agent acts on any Executed Documentation sent by electronic transmission, the Trustee or any Agent will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee or any Agent shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee or any Agent acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.13 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.14 *Patriot Act*

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("*Applicable Law*"), the Trustee and Agents are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee and Agents. Accordingly, each of the parties hereto agrees to provide to the Trustee and Agents, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee and Agents to comply with Applicable Law.

Section 13.15 *Submission to Jurisdiction; Waiver of Jury Trial*

THE COMPANY HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES AND ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT OR PROCEEDING IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE TRUSTEE OR ANY HOLDER OF THE NOTES TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY IRREVOCABLY APPOINTS LAW DEBENTURE CORPORATE SERVICES INC., 801 2ND AVENUE, SUITE 403, NEW YORK, NY10017, AS ITS AUTHORIZED AGENT IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK UPON WHICH PROCESS MAY BE SERVED IN ANY SUCH SUIT OR PROCEEDING, AND AGREES THAT SERVICE OF PROCESS UPON SUCH AGENT, AND WRITTEN NOTICE OF SAID SERVICE TO THE COMPANY BY THE PERSON SERVING THE SAME TO THE ADDRESS PROVIDED IN SECTION 13.02, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE COMPANY IN ANY SUCH SUIT OR PROCEEDING. THE COMPANY FURTHER AGREES TO TAKE ANY AND ALL ACTION AS MAY BE NECESSARY TO MAINTAIN SUCH DESIGNATION AND APPOINTMENT OF SUCH AGENT IN FULL FORCE AND EFFECT FOR A PERIOD OF EIGHT YEARS FROM THE DATE OF THIS INDENTURE.

EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION 13.15 HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO (OR ASSIGNMENTS OF) THIS INDENTURE. IN THE EVENT OF LITIGATION, THIS INDENTURE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL (WITHOUT A JURY) BY THE COURT.

[Signatures on following page]

SIGNATURES

Dated as of July 21, 2020

The Company

MELCO RESORTS FINANCE LIMITED

By: /s/ Chung Yuk Man
Name: Chung Yuk Man
Title: Director

[Signature page to Indenture]

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Jacqueline Bartnick
Name: Jacqueline Bartnick
Title: Director

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Paying Agent, Registrar and Transfer Agent

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Jacqueline Bartnick
Name: Jacqueline Bartnick
Title: Director

[Face of Note]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[*Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture*]

CUSIP:
ISIN:
COMMON CODE:

5.750% Senior Notes due 2028

No. ___ US$_____

MELCO RESORTS FINANCE LIMITED

Promises to pay to Cede & Co. or its registered assigns, the principal sum of US$_____ [*NUMBER IN WORDS* U.S. DOLLARS] on July 21, 2020.

Interest Payment Dates: January 21 and July 21

Record Dates: January 6 and July 6

Dated: _____, 20__

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by the duly authorized officer referred to below.

Dated: _____, 20__

MELCO RESORTS FINANCE LIMITED, as Company

By: _____
Name:
Title:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, 20__

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name:
Title:

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST*. Melco Resorts Finance Limited, a Cayman Islands exempted company with limited liability incorporated under the laws of the Cayman Islands (the "*Company*"), promises to pay or cause to be paid interest on the principal amount of this Note at 5.750% per annum from _____, 20__ until maturity. The Company will pay interest and Additional Amounts, if any, semi-annually in arrears on January 21 and July 21 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be_____, 20__. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months.

(2) *METHOD OF PAYMENT*. The Company will pay interest on the Notes (except defaulted interest) and Additional Amounts, if any, to the Persons who are registered Holders of Notes at the close of business on January 6 or July 6 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, and Additional Amounts, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Additional Amounts, if any, may be made by check mailed to the Holders at their address set forth in the register of Holders; *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Additional Amounts, if any, on, all Global Notes and all other Notes, the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent, and shall so notify the Trustee and each Paying Agent thereof. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) *PAYING AGENT AND REGISTRAR*. Initially, Deutsche Bank Trust Company Americas will act as Paying Agent, Transfer Agent and Registrar. The Company may change the Paying Agent, Transfer Agent or Registrar without notice to any holders of the Notes. The Company or any of its Subsidiaries may act in any such capacity.

(4) *INDENTURE*. The Company issued the Notes under an Indenture dated as of July 21, 2020 (the "*Indenture*") among the Company, the Trustee, the Paying Agent, the Registrar and the Transfer Agent. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

(5) *OPTIONAL REDEMPTION.*

(a) Except as set forth in subparagraphs (b) and (c) of this Paragraph 5, the Company will not have the option to redeem the Notes prior to July 21, 2023. On or after July 21, 2023, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, and Additional Amounts if any, on the Notes redeemed, to but excluding the applicable redemption date, if redeemed during the twelve-month period beginning on July 21 of the years indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Year	Percentage
2023	102.875%
2024	101.438%
2025 and thereafter	100.000%

Any such redemption may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as so delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Unless the Company defaults in the payment of the redemption price or fails to satisfy the conditions precedent to the redemption and thereby terminates the redemption, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, at any time prior to July 21, 2023, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price equal to 105.750% of the principal amount thereof, *plus* accrued and unpaid interest and Additional Amounts, if any, to but excluding the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that at least 65% in aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption and that such redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the related Equity Offering.

(c) At any time prior to July 21, 2023, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of Notes redeemed *plus* the Applicable Premium as of, and accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent.

(d) The Notes may also be redeemed in the circumstances described in Section 3.09 and 3.10 of the Indenture.

(6) *MANDATORY REDEMPTION.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) *REPURCHASE AT THE OPTION OF HOLDER.* The Notes may be subject to a Change of Control Offer or a Special Put Option Offer, as further described in Sections 4.08 and 4.10 of the Indenture.

(8) *NOTICE OF REDEMPTION*. Subject to the second paragraph of Section 5(b) above, notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes in denominations larger than US$200,000 may be redeemed in part but only in integral multiples of US$1,000; *provided* that the unredeemed part has a minimum denomination of US$200,000, unless all of the Notes held by a Holder are to be redeemed.

(9) *DENOMINATIONS, TRANSFER, EXCHANGE*. The Notes are in registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) *PERSONS DEEMED OWNERS*. The registered Holder may be treated as its owner for all purposes.

(11) *AMENDMENT, SUPPLEMENT AND WAIVER*. The Indenture or the Notes, may be amended as set forth in the Indenture.

(12) *DEFAULTS AND REMEDIES*. The events listed in Section 6.01 of the Indenture shall constitute "*Events of Default*" for the purpose of this Note.

(13) *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator or stockholder of the Company, as such, will not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(15) *AUTHENTICATION*. This Note will not be valid until authenticated by the manual or electronic signature of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW.* THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE AND THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Melco Resorts Finance Limited
Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005
Cayman Islands

c/o Melco Resorts & Entertainment Limited
36th Floor, The Centrium
60 Wyndham Street
Central
Hong Kong
Attention: Company Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

_____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Sections 4.08 or 4.10 of the Indenture, check the appropriate box below:

☐ Section 4.08 ☐ Section 4.10

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.08 or Section 4.10 of the Indenture, state the amount you elect to have purchased:

US$_____

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[*Company address block*]

[*Registrar address block*]

Re: 5.750% Senior Notes due 2028 of Melco Resorts Finance Limited

Reference is hereby made to the Indenture, dated as of July 21, 2020 (the "*Indenture*"), among Melco Resorts Finance Limited, as issuer (the "*Company*") and Deutsche Bank Trust Company Americas, as trustee, paying agent, registrar and transfer agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of US$_____ in such Note[s] or interests (the "*Transfer*"), to _____ (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A**. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S**. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

4. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note**.

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____), or

(iii) ☐ Unrestricted Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[*Company address block*]

[*Registrar address block*]

Re: 5.750% Senior Notes due 2028 of Melco Resorts Finance Limited

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of July 21, 2020 (the "*Indenture*"), among Melco Resorts Finance Limited, as issuer (the "*Company*") and Deutsche Bank Trust Company Americas, as trustee, paying agent, registrar and transfer agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of US$_____ in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note**. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] ☐ 144A Global Note, ☐ Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

Exhibit 2.35

Execution Version

STUDIO CITY FINANCE LIMITED,

as Company

THE SUBSIDIARY GUARANTORS PARTIES HERETO,

5.000% SENIOR NOTES DUE 2029

INDENTURE

January 14, 2021

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Trustee, Paying Agent, Registrar and Transfer Agent

and

THE OTHER PERSONS FROM TIME TO TIME PARTY HERETO

Table of Contents

EXHIBITS

INDENTURE dated as of January 14, 2021 among Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands with company number 1673307 (the "*Company*"), the Subsidiary Guarantors named herein (the "*Subsidiary Guarantors*") and Deutsche Bank Trust Company Americas, a New York banking corporation as Trustee, Paying Agent, Registrar and Transfer Agent.

Each party agrees as follows for the benefit of each other and for the other parties hereto and for the equal and ratable benefit of the Holders (as defined herein) of the 5.000% Senior Notes due 2029 (the "*Notes*"):

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions.*

"*144A Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, that will be issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Notes*" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 and Section 4.09 hereof, as part of the same series as the Initial Notes; *provided that* any Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued Notes, but shall otherwise be treated as a single class with all other Notes issued under this Indenture.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided that* beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Agent*" means any Registrar, co-registrar, Paying Agent, Transfer Agent or additional paying agents or transfer agents.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

1. 1.0% of the principal amount of the Note; or
2. the excess of:
   (a) the present value at such redemption date of (i) the redemption price of the Note at January 15, 2024 (such redemption price being set forth in the table appearing in Section 3.07 hereof) plus (ii) all required interest payments due on the Note through January 15 , 2024 (excluding accrued but unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over
   (b) the principal amount of the Note, if greater,

as calculated by the Company or on behalf of the Company by such Person as the Company may engage. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Paying Agent, the Transfer Agent, or the Registrar.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream, Luxembourg that apply to such transfer or exchange.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided that* the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of this Indenture described in Section 4.15 hereof and/or the provisions described in Section 5.01 hereof and not by the provisions of Section 4.10 hereof;

(2) the issuance of Equity Interests in any of the Restricted Subsidiaries of the Company or the sale of Equity Interests in any of the Company's Subsidiaries; and

(3) any Event of Loss.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US$5.0 million;

(2) a transfer of assets between or among the Company and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or a Restricted Subsidiary of the Company;

(4) the sale, license, transfer, lease (including the right to use) or other disposal of products, services, rights, accounts receivable, undertakings, establishments or other current assets or cessation of any undertaking or establishment in the ordinary course of business (including pursuant to any shared services agreements (including the MSA), Revenue Sharing Agreement or any construction and development activities) and any sale or other disposition of damaged, worn-out, surplus or obsolete assets (or the dissolution of any Dormant Subsidiary) in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) any transfer, termination or unwinding or other disposition of Hedging Obligations in the ordinary course of business;

(7) a transaction covered under Section 5.01 or Section 4.15;

(8) the lease of, right to use or equivalent interest under Macau law on that portion of real property granted to Studio City Developments Limited pursuant to the applicable land concession granted by the government of the Macau SAR in connection with the development of the Phase II Project in accordance with such applicable land concession;

(9) a Restricted Payment that does not violate the provisions of Section 4.07 hereof or a Permitted Investment, and any other payment under the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and any transactions or arrangements involving contractual rights under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof;

(10) the (i) lease, sublease, license or right to use of any portion of the Property to persons who, either directly or through Affiliates of such persons, intend to develop, operate or manage gaming, hotel, nightclubs, bars, restaurants, malls, amusements, attractions, recreation, spa, pool, exercise or gym facilities, or entertainment facilities or venues or retail shops or venues or similar or related establishments or facilities within the Property and (ii) the grant of declarations of covenants, conditions and restrictions and/or easements or other rights to use with respect to common area spaces and similar instruments benefiting such tenants of such lease, subleases licenses and rights to use generally and/or entered into connection with the Property (collectively, the "*Venue Easements*"); *provided that* no Venue Easements or operations conducted pursuant thereto would reasonably be expected to materially interfere with, or materially impair or detract from, the operation of the Property;

(11) the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development, construction and operation of the Property; *provided*, that in each case such dedication or other disposition is in furtherance of, and does not materially impair or interfere with the use or operations (or intended use or operations) of, the Property;

(12) the granting of easements, rights of way, rights of access and/or similar rights to any governmental authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to the Property, the real property held by the Company or a Restricted Subsidiary of the Company or the public at large that would not reasonably be expected to interfere in any material respect with the construction, development or operation of the Property;

(13) the granting of a lease, right to use or equivalent interest to Melco Resorts Macau or Melco Resorts or any of its Affiliates for purposes of operating a gaming facility at Studio City, including under the Services and Right to Use Agreement and any related agreements, or any transactions or arrangements contemplated thereby;

(14) the grant of licenses to intellectual property rights to third Persons (other than Affiliates of the Company or any Restricted Subsidiary of the Company) on an arm's length basis in the ordinary course of business or to Melco Resorts Macau, Melco Resorts and its Affiliates in the ordinary course of business;

(15) transfers, assignments or dispositions constituting an Incurrence of a Permitted Lien (but not the actual sale or other disposition of the property subject to such Lien); and

(16) any surrender or waiver of contractual rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business.

"*Bankruptcy Law*" means (i) the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors, (ii) the provisions of the Code of Civil Procedure of Macau that deal with the placement of a debtor into liquidation, the administration and disposal of its assets, the distribution of the proceeds thereof and the alternatives to such liquidation, or any laws of similar effect, and (iii) those laws included, principally within (but not limited to) the BVI Business Companies Act, 2004 (as amended) and the Insolvency Act, 2007 (as amended) concerning the solvency and insolvency of BVI companies.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a finance or capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with U.S. GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided that* the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(2) demand deposits, certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any commercial bank organized under the laws of Macau, Hong Kong, a member state of the European Union or of the United States of America or any state thereof having capital and surplus in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or "A-" or higher by S&P or the equivalent rating category or another internationally recognized rating agency;

(3) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within 12 months after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Casualty*" means any casualty, loss, damage, destruction or other similar loss with respect to real or personal property or improvements.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) (other than Melco Resorts or a Related Party of Melco Resorts);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(3) the first day on which:

(A) Melco Resorts ceases to own, directly or indirectly, (i) a majority, or (ii) if Melco Resorts is authorized by the relevant Gaming Authority or is otherwise permitted to hold less than 50.1% of Equity Interest in Studio City International, the greater of (x) such lesser percentage and (y) 35%, of the outstanding Equity Interests and/or Voting Stock of each of the Company and Studio City Holdings Five Limited (or any Person which becomes a "Golden Shareholder" and/or a "Preference Holder" under the Direct Agreement pursuant to the terms thereof, if any);

(B) Melco Resorts ceases to own, directly or indirectly, less than 50.1% of Equity Interest in Melco Resorts Macau (or another operator of the Studio City Casino); or

(C) Melco Resorts ceases to have, directly or indirectly (through a Subsidiary), the power to nominate a number of directors on the Board of Directors of the Company who are entitled to cast a majority of the votes which may be cast at a meeting of the Board of Directors of the Company.

"*Clearstream, Luxembourg*" means Clearstream Banking S.A.

"*Company*" means Studio City Finance Limited, and any and all successors thereto.

"*Condemnation*" means any taking by a Governmental Authority of assets or property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with U.S. GAAP; *provided that*:

(1) the Net Income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary that is not a Subsidiary Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders *provided, however,* that Consolidated Net Income of the specified Person will be increased by the amount of dividends or similar contributions actually paid in cash (or to the extent converted into cash) to the specified Person or any of its Restricted Subsidiaries that is a Subsidiary Guarantor, to the extent not already included therein;

(3) the cumulative effect of a change in accounting principles will be excluded; and

(4) charges or expenses related to deferred financing fees and Indebtedness issuance costs, including related commissions, fees and expenses, premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, extinguishment, repurchase, cancellation or forgiveness of Indebtedness will be excluded.

"*Corporate Trust Office of the Trustee*" means the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Company.

"*Credit Facilities*" means one or more debt facilities, indentures or commercial paper facilities, in each case, with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or other forms of Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to investors) in whole or in part from time to time.

"*Credit Facilities Documents*" means the collective reference to any Credit Facilities, any notes issued pursuant thereto and the guarantees thereof, and the collateral or other documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"*Custodian*" means Deutsche Bank Trust Company Americas, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Direct Agreement*" means the direct agreement dated November 26, 2013, in relation to (a) the Services and Right to Use Agreement and (b) the Reinvestment Agreement.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Company may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Dormant Subsidiary*" means a Restricted Subsidiary of the Company which does not trade (for itself or as agent for any other person) and does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(4) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period), of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(5) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; *plus*

(6) Pre-Opening Expenses, to the extent such expense were deducted in computing Consolidated Net Income; *plus*

(7) any goodwill or other intangible asset impairment charge; *plus*

(8) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with U.S. GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Company will be added to Consolidated Net Income to compute EBITDA of the Company only to the extent that a corresponding amount was included in the calculation of Consolidated Net Income.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Company or (2) a direct or indirect parent of the Company to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Company (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"*Euroclear*" means Euroclear Bank SA/NV.

"*Event of Loss*" means, with respect to the Company, any Subsidiary Guarantor or any Restricted Subsidiary of the Company that is a Significant Subsidiary, any (1) Casualty, (2) Condemnation or seizure (other than pursuant to foreclosure) or (3) settlement in lieu of clause (2) above, in each case having a fair market value in excess of US$20.0 million.

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the Company subsequent to the Issue Date from:

(1) contributions to its common equity capital; and

(2) the issuance or sale (other than to a Subsidiary of the Company or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) by the Company of shares of its Capital Stock (other than Disqualified Stock) or a share capital increase;

in each case, designated as Excluded Contributions on the date on which such Excluded Contributions were received pursuant to an Officer's Certificate, and excluded from the calculation set forth in Section 4.07(a)(4)(C)(ii) hereof.

"*Excluded Subsidiary*" means a Restricted Subsidiary of the Company which (a) is incorporated solely for the purpose of complying with the requirements of the government of Macau in connection with the conduct of the Permitted Business by the Company and its Restricted Subsidiaries, and (b) does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Indenture).

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (in accordance with Regulation S-X under the Securities Act) as if they had occurred on the first day of the four-quarter reference period;

(2) the EBITDA attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the Obligations giving rise to such Fixed Charges will not be Obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not (i) debt issuance costs, commissions, fees and expenses or (ii) amortization of discount on the Intercompany Note Proceeds Loans, if any), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than Indebtedness secured by a Lien of the type specified in clause (22) of the definition of "Permitted Liens"), whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of such Person (other than Disqualified Stock) or to such Person or a Restricted Subsidiary of such Person, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with U.S. GAAP.

"*Gaming Authorities*" means the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates), or (iii) of the Company or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities (i) at Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates), or (iii) of the Company or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming Licenses*" means any concession, subconcession, license, permit, franchise or other authorization at any time required under any Gaming Laws to own, lease, operate or otherwise conduct the gaming business (i) at Studio City Casino or (ii) of Melco Resorts Macau.

"*Global Note Legend*" means the legend set forth in Section 2.06(f)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Section 2.01, 2.06(b)(3), 2.06(b)(4), and with Section 2.06(d)(2) or 2.06(f) hereof.

"*Governmental Authority*" means the government of the Macau SAR or any other territory, nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Note is registered.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to U.S. GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Restricted Subsidiary of the Company shall be deemed to be Incurred at the time at which such Person becomes a Restricted Subsidiary of the Company. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.S. GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), (ii) obligations of the Company or a Restricted Subsidiary of the Company to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Company or any of its Restricted Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided that*, in each case of clause (i) and (ii), such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet), or (iii) any lease of property which would be considered an operating lease under U.S. GAAP and any guarantee given by the Company or a Restricted Subsidiary in the ordinary course of business solely in connection with, or in respect of, the obligations of the Company or a Restricted Subsidiary under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with U.S. GAAP;

(B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) that the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Independent Financial Advisor*" means accounting, appraisal or investment banking firm of international standing.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the first US$750,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"*Initial Purchasers*" means Deutsche Bank AG, Singapore Branch, Morgan Stanley & Co. LLC, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities Asia Limited.

"*Intercompany Note Proceeds Loans*" means one or more intercompany loans, if any, between the Company and its Subsidiaries pursuant to which the Company on-lends to its Subsidiaries the net proceeds from the issuance of the Notes in accordance with the terms of the definitive documents with respect to the Notes, as amended from time to time, including in connection with any extension, additional issuance or refinancing thereof.

"*Investment Grade Status*" shall apply at any time the Notes receive (i) a rating equal to or higher than BBB- (or the equivalent) from S&P and (ii) a rating equal to or higher than Baa3 (or the equivalent) from Moody's.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.S. GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of Section 4.07 hereof. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Issue Date*" means the date on which the Notes (other than any Additional Notes) are originally issued.

"*Land Concession*" means the land concession by way of lease, for a period of 25 years, subject to renewal as of October 17, 2001 for a plot of land situated in Cotai, Macau, described with the Macau Immovable Property Registry under No. 23059 and registered in Studio City Developments Limited's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of October 9, 2001, published in the Macau Official Gazette no. 42 of October 17, 2001, as amended by Dispatch of the Secretary for Public Works and Transportation no. 31/2012 of July 19, 2012, published in the Macau Official Gazette no. 30 of July 25, 2012, and by Dispatch of Secretary for Public Works and Transportation no. 92/2015 of September 10, 2015, published in the Macau Official Gazette no. 38 of September 23, 2015 and including any other amendments from time to time to such land concession.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, New York, Hong Kong, Macau, the British Virgin Islands or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"*Measurement Date*" means February 11, 2019.

"*Melco Resorts*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Melco Resorts Macau*" means Melco Resorts (Macau) Limited, a Macau company.

"*Melco Resorts Parties*" means COD Resorts Limited, Altira Resorts Limited, Melco Resorts (Macau) Limited, MPEL Services Limited, Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Resorts Security Services Limited, Melco Resorts Travel Limited, MCE Transportation Limited, MCE Transportation Two Limited and any other Person which accedes to the MSA as a "*Melco Crown Party*" pursuant to terms thereof; and a "*Melco Resorts Party*" means any of them.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*MSA*" means the master services agreement dated December 21, 2015, including any work agreements entered into pursuant to the master services agreement, entered into between the Studio City Parties on the one part and the Melco Resorts Parties on the other part, as amended, modified, supplemented, extended, replaced or renewed from time to time, and any other master services agreement or equivalent agreement or contract, including any work agreements entered into pursuant to any such master services agreement, in each case entered into in connection with the conduct of Permitted Business and on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in an arm's length commercial transaction, as amended, modified, supplemented, extended, replaced or renewed from time to time.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with U.S. GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment, repurchase or cancellation of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.S. GAAP.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender, other than, in the case of (a) and (b), Indebtedness incurred pursuant to Section 4.09(b)(15) hereof; and

(2) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than to the Equity Interests of any Unrestricted Subsidiary).

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Note Guarantee*" means the Guarantee by each Subsidiary Guarantor of the Company's Obligations under this Indenture and the Notes.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated January 5, 2021 in respect of the Notes.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Property Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company or any Directors of the Board or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company which meets the requirements of Section 13.05 hereof.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, Luxembourg, a Person who has an account with the Depositary, Euroclear or Clearstream, Luxembourg, respectively (and, with respect to DTC, shall include Euroclear and Clearstream, Luxembourg).

"*Permitted Business*" means (1) any businesses, services or activities engaged in by the Company or any of its Restricted Subsidiaries on the Issue Date, including, without limitation, the construction, development and operation of the Property, (2) any gaming, hotel, accommodation, hospitality, transport, tourism, resort, food and beverage, retail, entertainment, cinema / cinematic venue, audio-visual production (including provision of sound stage, recording studio and similar facilities), performance, cultural or related business, development, project, undertaking or venture of any kind in the Macau SAR, and (3) any other businesses, services, activities or undertaking that are necessary for, supportive of, or connected, related, complementary, incidental, ancillary or similar to, any of the foregoing or are extensions or developments of any thereof (including in support of the businesses, services, activities and undertakings of the Melco Resorts group as a whole or any member thereof including through participation in shared and centralized services and activities).

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary of the Company; or

(B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;

(5) any acquisition of assets or Capital Stock in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees, officers, or directors made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed US$2.0 million at any one time outstanding;

(9) repurchases of the Notes;

(10) any Investments consisting of gaming credit extended to customers and junket operators in the ordinary course of business and consistent with applicable law and any Investments made or deemed to be made in connection with or through any transactions or arrangements involving contractual rights under, pursuant to or in connection with (i) the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and (ii) any transaction or arrangements made pursuant to clause (10) of the definition of "Asset Sale", including any amendments, modifications, supplements, extensions, replacements, terminations or renewals;

(11) advances to contractors and suppliers and accounts, trade and notes receivables created or acquired in the ordinary course of business;

(12) receivables owing to the Company or any of its Restricted Subsidiaries if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(13) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided that* the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(14) Investments in prepaid expenses, negotiable instruments held for collection, deposits made in connection with self-insurance, and performance and other similar deposits and prepayments made in connection with an acquisition of assets or property in the ordinary course of business by the Company or any Restricted Subsidiary of the Company;

(15) deposits made by the Company or any Restricted Subsidiary of the Company in the ordinary course of business to comply with statutory or regulatory obligations (including land grants) to maintain deposits for the purposes specified by the applicable statute or regulation (including land grants) from time to time;

(16) any Investment consisting of a Guarantee permitted by Section 4.09 hereof and performance guarantees that do not constitute Indebtedness entered into by the Company or any Restricted Subsidiary of the Company in the ordinary course of business;

(17) to the extent constituting an Investment, licenses of intellectual property rights granted by the Company or any Restricted Subsidiary of the Company in the ordinary course of business; *provided*, that such grant does not interfere in any material respect with the ordinary conduct of the business of such Person;

(18) Investments consisting of purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(19) Investments held by a Person that becomes a Restricted Subsidiary of the Company; *provided*, *however*, that such Investments were not acquired in contemplation of the acquisition of such Person;

(20) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(21) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens";

(22) Investments (other than Permitted Investments) made with Excluded Contributions; *provided, however*, that any amount of Excluded Contributions made will not be included in the calculation of Section 4.07(a)(4)(C)(ii) hereof;

(23) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons; and

(24) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (24) under the Indenture that are at the time outstanding not to exceed US$5.0 million.

"*Permitted Liens*" means:

(1) Liens to secure Indebtedness permitted by Section 4.09(b)(1)(i)(x) and Section 4.09(b)(3)(a) hereof;

(2) Liens created for the benefit of (or to secure) the Notes (including any Additional Notes) or the Note Guarantees;

(3) Liens in favor of the Company or the Subsidiary Guarantors;

(4) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Subsidiary of the Company; *provided that* such Liens were not created in connection with, or in contemplation of, such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(5) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; *provided that* such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;

(6) Liens incurred or deposits made in the ordinary course of business in connection with workmen's compensation or employment obligations or other obligations of a like nature, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by Section 4.09(b)(4) covering only the assets acquired with or financed by such Indebtedness and directly related assets such as proceeds (including insurance proceeds), improvements, replacements and substitutions thereto;

(8) Liens existing on the Issue Date;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with U.S. GAAP has been made therefor;

(10) Liens imposed by law, such as carriers, warehousemen's, landlord's, suppliers' and mechanics' Liens, in each case, incurred in the ordinary course of business;

(11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under this Indenture; *provided*, *however*, that:

(A) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under this Indenture, secured by a Lien on the same assets or property securing such Hedging Obligations;

(14) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the money borrowed, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(15) Liens arising out of judgments against such Person not giving rise to an Event of Default, with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, *provided that* any reserve or other appropriate provision as shall be required in conformity with U.S. GAAP shall have been made therefor;

(16) Liens granted to the Trustee for its compensation and indemnities pursuant to this Indenture;

(17) Liens arising out of or in connection with licenses, sublicenses, leases (other than capital leases) and subleases (including rights to use) of assets (including, without limitation, intellectual property) entered into in the ordinary course of business;

(18) Liens upon specific items of inventory or other goods and proceeds of the Company or any of its Restricted Subsidiaries securing obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangement for the sale of goods in the ordinary course of business;

(20) Liens arising under customary provisions limiting the disposition or distribution of assets or property or any related restrictions thereon in operating agreements, joint venture agreements, partnership agreements, contracts for sale and other agreements arising in the ordinary course of business; *provided*, *that* such Liens do not extend to any assets of the Company or any of its Restricted Subsidiaries other than the assets subject to such agreements or contracts;

(21) Liens on deposits made in the ordinary course of business to secure liability to insurance carriers;

(22) Liens on the Equity Interests of Unrestricted Subsidiaries;

(23) Liens created or Incurred under, pursuant to or in connection with the Services and Right to Use Agreement or the Reinvestment Agreement, including Liens on any revenues or receipts thereunder or any accounts created or maintained thereunder;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries of the Company securing obligations of such joint ventures;

(25) Liens securing Indebtedness Incurred pursuant to Section 4.09(b)(17) hereof;

(26) Liens incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to Obligations that do not exceed US$5.0 million at any one time outstanding; and

(27) Liens securing obligations under a debt service reserve account or interest reserve account (including all dividends, instruments, cash and Cash Equivalents and other property, as applicable, on deposit in such account) established for the benefit of creditors securing Indebtedness to the extent such debt service reserve account or interest reserve account is established in the ordinary course of business consistent with past practice.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided that*:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes and the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is Incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Phase I*" means the approximately 477,110 gross square-meter complex on the Site which contains retail, hotel, gaming, entertainment, food and beverage outlets and entertainment studios and other facilities.

"*Phase II Project*" means the development of the remainder of the Site, which is expected to include one or more types of Permitted Business and will be developed in accordance with the applicable governmental requirements regarding the Site.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"*Pre-Opening Expenses*" means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred with respect to capital projects that are classified as "pre-opening expenses" on the applicable financial statements of the Company and its Restricted Subsidiaries for such period, prepared in accordance with U.S. GAAP.

"*Private Placement Legend*" means the legend set forth in Section 2.06(f)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*Property*" means Phase I and the Phase II Project.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

"*Reinvestment Agreement*" means the reimbursement agreement dated June 15, 2012, between Melco Resorts Macau and Studio City Entertainment Limited, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part from time to time, including pursuant to the Direct Agreement.

"*Related Party*" means*:*

(1) any controlling stockholder or majority-owned Subsidiary of Melco Resorts; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding at least 50.1% interest of which consist of Melco Resorts and/or such other Persons referred to in the immediately preceding clause (1).

"*Responsible Officer,*" when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor group of the Trustee) with direct responsibility for the administration of this Indenture or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revenue Sharing Agreement*" means any joint venture, development, management, operating or similar agreement or arrangement for the sharing of revenues, profits, losses, costs or expenses entered into in connection with developments or services complementary or ancillary to the Property in the ordinary course of business (including, for the avoidance of doubt, such agreements or arrangements reasonably necessary to conduct a Permitted Business) and on arms' length terms.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*S&P*" means S&P Global Ratings or any successor to the rating agency business thereof.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Secured Credit Facilities*" means the amended and restated senior secured credit facilities dated November 30, 2016 among Studio City Company Limited, the guarantors named therein, the financial institutions named as lenders therein and the agent for such lenders, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such facilities may be amended, restated, modified, renewed, supplemented, replaced or refinanced from time to time.

"*Services and Right to Use Agreement*" means the services and right to use agreement originally dated May 11, 2007 and as amended and restated on June 15, 2012, executed with Studio City Entertainment Limited (formerly named MSC Diversões, Limitada and New Cotai Entertainment (Macau) Limited), a wholly owned indirect subsidiary of the Company, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part from time to time, including pursuant to the Direct Agreement.

"*SGX-ST*" means the Singapore Exchange Securities Trading Limited or its successor.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent holding company of the Company (or Melco Resorts), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Shareholder Subordinated Debt; *provided that* such Shareholder Subordinated Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien on any assets of the Company or a Restricted Subsidiary of the Company and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Company with its obligations under the Notes, the Note Guarantees, and this Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Site*" means an approximately 130,789 square meter parcel of land in the reclaimed area between Taipa and Coloane Island (Cotai), Lotes G300, G310 and G400, registered with the Macau Real Estate Registry under no. 23059.

"*Special Put Option Triggering Event*" means:

(1) any event after which the Gaming License or other permits or authorizations as are necessary for the operation of the Studio City Casino in substantially the same manner and scope as operations are conducted at the Issue Date cease to be in full force and effect, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole; or

(2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; *provided that* such renewal, tender or other process results in the granting or renewal of the relevant Gaming License.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Studio City Casino*" means any casino, gaming business or activities conducted at the Site.

"*Studio City International*" means Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Studio City Parties*" means Studio City International, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Retail Services Limited, Studio City Developments Limited, Studio City Ventures Limited, Studio City Services Limited and any other Person which accedes to the MSA as a "Studio City Party" pursuant to terms thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Company, any Indebtedness of the Company which is by its terms subordinated in right of payment to the Notes, and (b) with respect to any Subsidiary Guarantor, any Indebtedness of such Subsidiary Guarantor which is by its terms subordinated in right of payment to such Subsidiary Guarantor's Obligations in respect of its Note Guarantee.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantor*" means each of (1) Studio City Investments Limited, Studio City Company Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCIP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City (HK) Two Limited and (2) any other Subsidiary of the Company that provides a Note Guarantee in accordance with the provisions of this Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

"*Total Assets*" means, as of any date, the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with U.S. GAAP as shown on the most recent balance sheet of such Person.

"*Transactions*" means the offering of the Notes and the offer to purchase and/or redemption, as the case may be, of the Company's US$600,000,000 7.250% senior notes due 2024 as described in the Offering Memorandum.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to January 15, 2024; provided, however, that if the period from the redemption date to January 15, 2024 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trustee*" means Deutsche Bank Trust Company Americas until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*Unrestricted Definitive Note*" means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Global Note*" means a Global Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 4.11 hereof, is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

"*U.S. GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*U.S. Government Obligations*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided that* (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*U.S. Person*" means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly-Owned Restricted Subsidiary*" is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

Section 1.02 *Other Definitions.*

Term	Defined in Section
"*Additional Amounts*"	2.13
"*Affiliate Transaction*"	4.11
"*Asset Sale Offer*"	3.09
"*Authentication Order*"	2.02
"*Change of Control Offer*"	4.15
"*Change of Control Payment*"	4.15
"*Change of Control Payment Date*"	4.15
"*Covenant Defeasance*"	8.03
"*Designated Subsidiary Guarantor Enforcement Sale*"	11.08
"*direct parent companies*"	4.20
"*DTC*"	2.03
"*Event of Default*"	6.01
"*Excess Proceeds*"	4.10
"*Guaranteed Obligations*"	11.01
"*Legal Defeasance*"	8.02
"*Offer Amount*"	3.09
"*Offer Period*"	3.09
"*Paying Agent*"	2.03
"*Permitted Debt*"	4.09
"*Payment Default*"	6.01
"*Purchase Date*"	3.09
"*Redemption Date*"	3.07
"*Registrar*"	2.03
"*Relevant Jurisdiction*"	2.13
"*Restricted Payments*"	4.07
"*Reversion Date*"	4.21
"Special Put Option Offer"	4.21
"Special Put Option Payment"	4.21
"*Suspended Covenants*"	4.21
"*Suspension Period*"	4.21
"*Taxes*"	2.13

Section 1.03 Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating.*

(a) *General*. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Subsidiary Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Paying Agent, Trustee or the Registrar, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Euroclear and Clearstream, Luxembourg Procedures Applicable.* The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions—Clearstream Banking, Luxembourg" and "Customer Handbook" of Clearstream, Luxembourg will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream, Luxembourg.

Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual or electronic signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Company may issue additional notes under the Indenture from time to time after the Issue Date. Any issuance of Additional Notes shall be subject to all of the covenants described under Article 4 of this Indenture, including Section 4.09 hereof. The Notes and any Additional Notes subsequently issued under this Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided*, *however* if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will have a separate CUSIP, ISIN or other identifying number.

The Trustee will, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Company pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 *Registrar, Paying Agent and Transfer Agent.*

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment ("*Paying Agent*"). The Company will also maintain a transfer agent (the "*Transfer Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Transfer Agent shall perform the functions of a transfer agent. The Company may appoint one or more co-registrars, one or more additional transfer agents and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent, the Transfer Agent or Registrar without notice to any Holder and shall so notify the Trustee and each Paying Agent thereof in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints Deutsche Bank Trust Company Americas to act as the Registrar, Transfer Agent and Paying Agent and to act as Custodian, with respect to the Global Notes.

Section 2.04 *Paying Agent to Hold Money in Trust.*

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Amounts, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 *Holder Lists.*

The Registrar will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to the paragraph above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to the paragraph above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any Holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A Holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any Holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (1)(B), (1)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes*. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (C) below, each 144A Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

IF AT ANY TIME THE COMPANY DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THIS SECURITY OR BENEFICIAL INTERESTS HEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE, THE COMPANY SHALL REQUIRE SUCH HOLDER TO TRANSFER THIS SECURITY (OR INTEREST HEREIN) TO A TRANSFEREE ACCEPTABLE TO THE COMPANY WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE INDENTURE. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF THIS SECURITY (OR INTEREST HEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE SECURITY, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE SECURITY EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(B) Except as permitted by subparagraph (C) below, each Regulation S Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(C) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such increase.

(h) General Provisions Relating to Transfers and Exchanges.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.06, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronic mail (in pdf format).

Section 2.07 *Replacement Notes.*

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Note, including but not limited to the reasonable expenses of counsel and any tax that may be imposed with respect to replacement of such Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, in accordance with this Indenture, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any Subsidiary Guarantor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Subsidiary Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee actually knows are so owned will be so disregarded.

Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation.*

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, in accordance with its customary procedures, and no one else will cancel (subject to the Trustee's retention policy) all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will dispose of such cancelled Notes in its customary manner (subject to the record retention requirement of the Exchange Act). At the request of the company, the Trustee will confirm the cancellation of the Notes delivered to it. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 *Defaulted Interest.*

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; *provided that* no such special record date may be less than ten (10) days prior to the related payment date for such defaulted interest. At least fifteen (15) days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 *Additional Amounts.*

(a) All payments of principal of, premium, if any, and interest on the Notes and all payments under the Note Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever ("*Taxes*") nature imposed or levied by or within any jurisdiction in which the Company or any applicable Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) or any jurisdiction from or through which payment is made by or on behalf of the Company or any Subsidiary Guarantor (including the jurisdiction of any Paying Agent) (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "*Relevant Jurisdiction*"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In such event, the Company or the applicable Subsidiary Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("*Additional Amounts*") as will result in receipt by the Holder of such amounts as would have been received by such holder had no such withholding or deduction been required, *provided that* no Additional Amounts will be payable for or on account of:

(1) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Note Guarantee, as the case may be, and the Relevant Jurisdiction including, without limitation, such holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, other than merely holding such Note or the receipt of payments thereunder or under the Note Guarantee;

(B) the presentation of such Note (where presentation is required) more than thirty (30) days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the failure of the holder or beneficial owner to comply with a timely request of the Company or any Subsidiary Guarantor addressed to the holder or beneficial owner, as the case may be, to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder; or

(D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(2) any estate, inheritance, gift, sale, transfer, excise or personal property or similar tax, assessment or other governmental charge;

(3) any tax, duty, assessment or other governmental charge which is payable other than (i) by deduction or withholding from payments of principal of or interest on the Note or payments under the Note Guarantees, or (ii) by direct payment by the Company or applicable Subsidiary Guarantor in respect of claims made against the Company or the applicable Subsidiary Guarantor;

(4) any tax arising pursuant to Sections 1471 - 1474 of the U.S. Internal Revenue Code of 1986, as amended, and any successor or amended version that is substantively comparable and not materially more onerous to comply with, any official interpretations thereof, current or future regulations or agreements entered pursuant thereto, any agreement entered pursuant thereto, any U.S. or non-U.S. law enacted in connection with an intergovernmental agreement related thereto, or any rules, regulations, or administrative guidance of any kind relating to any of the foregoing; or

(5) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (1), (2), (3) and (4); or

(b) with respect to any payment of the principal of, or premium, if any, or interest on, such Note or any payment under any Note Guarantee to such holder, if the holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the holder thereof.

In addition to the foregoing, the Company and the Subsidiary Guarantors will also pay and indemnify the holder of a Note for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and other reasonable expenses related thereto) which are levied by any Relevant Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any Note Guarantee or any other document or instrument referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes or any Note Guarantee. The Company and the Subsidiary Guarantors will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Jurisdiction imposing such taxes, in such form as provided in the ordinary course by the Relevant Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustees and the Paying Agent. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent. The Company or the Subsidiary Guarantor, as applicable, will attach to each certified copy a certificate stating (x) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding taxes paid per $1,000 principal amount of the Notes.

(c) Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note or under any Note Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Section 2.14 *Forced Sale or Redemption for Non-QIBs.*

(a) The Company has the right to require any Holder of a Note (or beneficial interest therein) that is a U.S. Person and is determined not to have been a QIB at the time of acquisition of such Note or is otherwise determined to be in breach, at the time given, of any of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, to transfer such Security (or beneficial interest therein) to a transferee acceptable to the Company who is able to and who does make all of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, or to redeem such Note (or beneficial interest therein) within 30 days of receipt of notice of the Company's election to so redeem such Holder's Notes on the terms set forth in paragraph (b) below. Pending such transfer or redemption, such Holder will be deemed not to be the Holder of such Note for any purpose, including but not limited to receipt of interest and principal payments on such Note, and such Holder will be deemed to have no interest whatsoever in such Note except as otherwise required to sell or redeem its interest therein.

(b) Any such redemption occurring pursuant to paragraph (a) above shall be at a redemption price equal to the lesser of (i) the Person's cost, plus accrued and unpaid interest, if any, to the redemption date and (ii) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. The Company shall notify the Trustee in writing of any such redemption as soon as practicable.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee.*

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, the Registrar and the Paying Agent, at least 30 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If fewer than all of the Notes are to be redeemed or purchased at any time, the Trustee, the Paying Agent or the Registrar will select Notes for redemption or purchase (i) in compliance with the requirements of the principal national securities exchange, if any, on which Notes are listed and any applicable Depositary procedures, (ii) by lot or such other similar method in accordance with the applicable procedures of the Depositary or any other applicable clearing system (if the Notes are Global Notes), or (iii) if there are no such requirements of such exchange or the Notes are not then listed on a national securities exchange or cleared through the Depositary or any other applicable clearing system, on a *pro rata* basis. No Notes of a principal amount of US$200,000 or less may be redeemed or purchased in part, and if Notes are redeemed or purchased in part, the remaining outstanding amount must be at least equal to US$200,000 and integral multiples of US$1,000 in excess thereof. None of the Trustee, the Paying Agent or the Registrar will be liable for any selections made under this paragraph.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Registrar from the outstanding Notes not previously called for redemption or purchase.

The Registrar will promptly notify the Company in writing of any Definitive Notes selected for redemption or purchase and, in the case of any such Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of US$200,000 or integral multiples of US$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of US$1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption.*

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date (with prior notice to the Trustee) if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Article 8 or 11 hereof.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note, *provided that* the unredeemed portion has a minimum denomination of US$200,000;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes;

(9) if applicable, any condition to such redemption; and

(10) if applicable, that payment of the redemption price and performance of the Company's obligations with respect to such redemption is to be performed by another Person and the identity of such other Person.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; *provided, however*, that the Company has delivered to the Trustee, at least three Business Days prior to the date that the notice of redemption is to be delivered to Holders, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 *Effect of Notice of Redemption.*

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become due and payable on the redemption date at the redemption price stated in such notice, provided, that any redemption pursuant to Paragraph 5 of the Notes may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

Section 3.05 *Deposit of Redemption or Purchase Price.*

No later than 10 a.m. New York time one Business Days prior to the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 *Notes Redeemed or Purchased in Part.*

In the case of Definitive Notes, upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption.*

(a) At any time prior to January 15, 2024, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 105.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that*:

(1) at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the Equity Offering.

(b) At any time prior to January 15, 2024, the Company may redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to satisfaction of one or more conditions precedent.

(c) Except pursuant to the two preceding paragraphs and the provisions under Section 3.10 and Section 3.11 hereof, the Notes will not be redeemable at the Company's option prior to January 15, 2024.

(d) On or after January 15, 2024, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after January 15, 2024	102.500%
Twelve-month period on or after January 15, 2025	101.250%
On or after January 15, 2026	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(e) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through Section 3.06 hereof and may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Section 3.08 *Mandatory Redemption.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase Notes as described in Section 4.15 and Section 4.10 hereof. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Section 3.09 *Offer to Purchase by Application of Excess Proceeds.*

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "*Asset Sale Offer*"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Offer Period*"). No later than five Business Days after the termination of the Offer Period (the "*Purchase Date*"), the Company will apply all Excess Proceeds (the "*Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest and Additional Amounts, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in integral multiples of US$200,000 and integral multiples of US$1,000 in excess thereof only;

(6) that Holders electing to have Notes purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased in accordance with Section 3.02 based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of US$200,000, or integral multiples of US$1,000 in excess thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer), *provided* that the unpurchased portion has a minimum denomination of US$200,000.

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary (but subject to Section 3.02), the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered, *provided* that the unpurchased portion has a minimum denomination of US$200,000. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Section 3.01 through Section 3.06 hereof.

Section 3.10 *Redemption for Taxation Reasons.*

The Notes may be redeemed, at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption (the "*Tax Redemption Date*") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective on or after the date of this Indenture with respect to any payment due or to become due under the Notes, this Indenture or a Note Guarantee, the Company or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Company or a Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; *provided that* for the avoidance of doubt, changing the jurisdiction of the Company or a Subsidiary Guarantor is not a reasonable measure for the purposes of this Section 3.10; *provided, further*, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Company or such Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and Opinion of Counsel or opinion of tax consultant as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

Any Notes that are redeemed pursuant to this Section 3.10 will be cancelled.

Section 3.11 *Gaming Redemption.*

Each Holder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority of any jurisdiction in which the Company or any of its Affiliates (including Melco Resorts Macau) conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Company shall have the right, at its option:

(1) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Company's election or such earlier date as may be requested or prescribed by such Gaming Authority; or

(2) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

(A) the lesser of:

(1) the Person's cost, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

(2) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

(B) such other amount as may be required by applicable law or order of the applicable Gaming Authority.

The Company shall notify the Trustee in writing of any such redemption as soon as practicable. Neither the Company nor the Trustee shall be responsible for any costs or expenses any Holder may incur in connection with such Holder's application for a license, qualification or a finding of suitability.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York Time two Business Days prior to the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, interest and Additional Amounts, if any, then due. All the funds provided to the Paying Agent must be in U.S. Dollars.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 *Maintenance of Office or Agency.*

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates Deutsche Bank Trust Company Americas as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 *Reports.*

(a) The Company will provide to the Trustee and the Holders and make available to potential investors:

(1) within 120 days after the end of the Company's fiscal year, annual reports of the Company containing: (a) information with a level of detail that is substantially comparable to the sections in the Offering Memorandum entitled "Selected Consolidated Financial and Operational Data," "Business," "Management," "Related Party Transactions" and "Description of Other Material Indebtedness;" (b) the Company's audited consolidated (i) balance sheet as of the end of the two most recent fiscal years and (ii) income statement and statement of cash flow for the two most recent fiscal years, in each case prepared in accordance with U.S. GAAP and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the two most recent fiscal years for the Company and its Restricted Subsidiaries, including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and any material changes between such two fiscal years and (ii) any material developments in the business of the Company and its Restricted Subsidiaries; and (d) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, unless *pro forma* information has been provided in a previous report pursuant to paragraph (2)(c) below; *provided that* no *pro forma* information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project;

(2) within 60 days after the end of each day of the first three fiscal quarters in each fiscal year of the Company, quarterly reports containing: (a) the Company's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statement of income and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with U.S. GAAP; (b) an operating and financial review of such periods for the Company and its Restricted Subsidiaries including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and material changes between the current period and the period of the prior year and (ii) any material developments in the business of the Company and its Restricted Subsidiaries; (c) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter, *provided that* no pro forma information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project, and *provided further* that the Company may provide any such *pro forma* information relating to a material acquisition within 75 days following such quarterly report in the form of a report provided pursuant to clause (3) below; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (d) of this clause (3) information with respect to (a) any change in the independent accountants of the Company or any of the Significant Subsidiaries of the Company, (b) any material acquisition or disposition, (c) any material event that the Company or any Restricted Subsidiary of the Company announces publicly and (d) any information that the Company is required to make publicly available under the requirements of the SGX-ST or such other exchanges on which the securities of the Company or its Subsidiaries are then listed.

(b) If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of the Company, then the annual and quarterly information required by the paragraphs (a)(1) and (a)(2) hereof shall include a reasonably detailed presentation of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of the Company.

(c) In addition, so long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and in any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the holders of the Notes, securities analysts and prospective investors, upon their request, any information that Rule 144A(d)(4) under the Securities Act would require the Company to provide to such parties.

(d) The Company may elect to satisfy its obligations under this Section 4.03 with respect to all such financial information relating to the Company by furnishing, or making available on the SEC's website, *provided* that the Trustee shall have no responsibility whatsoever to determine whether such filing has occurred, such financial information relating to Studio City International, or by furnishing or making available on the SGX's website such financial information relating to Studio City Company Limited; provided that the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to Studio City International or Studio City Company Limited (as the case may be), on the one hand, and the information relating to the Company and its Restricted Subsidiaries on a stand-alone basis, on the other hand; provided further that the Company shall make no more than two such elections.

(e) All financial statement information required under this covenant shall be prepared on a consistent basis in accordance with U.S. GAAP. In addition, all financial statement information and all reports required under this covenant shall be presented in the English language.

(f) *[Intentionally Omitted]*.

(g) Delivery of such reports, information and documents to the Trustee shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on the Officer's Certificates).

Section 4.04 *Compliance Certificate.*

(a) The Company shall deliver to the Trustee within 120 days after the end of each fiscal year, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) [Intentionally Omitted].

(c) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, as soon as possible and in any event within five (5) Business Days after the Company becomes aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. The Trustee shall not be deemed to have a duty to monitor compliance by the Company, nor to have knowledge of a Default or an Event of Default (other than a payment default on a scheduled interest payment date) unless a Responsible Officer of the Trustee receives written notice thereof, stating that it is a notice of default and referencing the applicable section of this Indenture.

Section 4.05 *Taxes.*

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies required to be paid by the Company or such Subsidiaries except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

Section 4.06 *Stay, Extension and Usury Laws.*

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Limitation on Restricted Payments.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and other than dividends or distributions payable to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any of its direct or indirect parents;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness of the Company or any Subsidiary Guarantor (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Company would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Measurement Date (excluding Restricted Payments permitted by clauses (2) through (12) of Section 4.07(b)) pursuant to this Indenture, is less than the sum, without duplication, of:

(i) 75% of the EBITDA of the Company *less* 2.00 times Fixed Charges for the period (taken as one accounting period) from January 1, 2019 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such EBITDA for such period is a deficit, *minus* 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds received by the Company since the Measurement Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company (in each case, other than in connection with any Excluded Contribution) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); *plus*

(iii) to the extent that any Restricted Investment that was made after the Measurement Date (x) is reduced as a result of payments of dividends to the Company or a Restricted Subsidiary of the Company or (y) is sold for cash or otherwise liquidated or repaid for cash, (in the case of sub-clauses (x) and (y)) the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment or (z) is reduced upon the release of a Note Guarantee granted by the Company or a Restricted Subsidiary of the Company that constituted a Restricted Investment, to the extent that the initial granting of such Note Guarantee reduced the restricted payments capacity under Section 4.07(a)(4)(C); *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Measurement Date is re-designated as a Restricted Subsidiary after the Measurement Date, the lesser of (i) the Fair Market Value of the Company's Restricted Investment in such Subsidiary as of the date of such re-designation or (ii) the Fair Market Value of the net aggregate Investments made by the Company or a Restricted Subsidiary of the Company in such Unrestricted Subsidiary from the date such entity was originally designated as an Unrestricted Subsidiary through the date of such re-designation; *plus*

(v) 100% of the aggregate amount received from the sale of the stock of any Unrestricted Subsidiary of the Company after the Measurement Date or 100% of any dividends received by the Company or a Restricted Subsidiary of the Company after the Measurement Date from an Unrestricted Subsidiary of the Company.

(b) The provisions of Section 4.07(a) hereof will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Company (in each case, other than in connection with any Excluded Contribution); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from Section 4.07(a)(4)(C)(ii) hereof;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the net cash proceeds from a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a *pro rata* basis;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any current or former officer, director or employee of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; *provided that* the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US$1.0 million in any twelve-month period;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary of the Company issued on or after the Issue Date in accordance with the Fixed Charge Coverage Ratio test described in Section 4.09(a) hereof;

(8) any Restricted Payment made or deemed to be made by the Company or a Restricted Subsidiary of the Company under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA;

(9) [RESERVED];

(10) Restricted Payments that are made with Excluded Contributions;

(11) payments to any parent entity in respect of directors' fees, remuneration and expenses (including director and officer insurance (including premiums therefore)) to the extent relating to the Company and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(12) the making of Restricted Payments, if applicable:

(A) in amounts required for any direct or indirect parent of the Company to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Company and general corporate operating and overhead expenses of any direct or indirect parent of the Company in each case to the extent such fees and expenses are attributable to the ownership or operation of the Company, if applicable, and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(B) in amounts required for any direct or indirect parent of the Company, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Company or any of its Restricted Subsidiaries prior to the Issue Date and that has been guaranteed by, or is otherwise considered Indebtedness of, the Company Incurred in accordance with Section 4.09; *provided that* the amount of any such proceeds will be excluded from Section 4.07(a)(4)(C)(ii);

(C) in amounts required for any direct or indirect parent of the Company to pay fees and expenses, other than to Affiliates of the Company, related to any unsuccessful equity or debt offering of such parent; and

(D) payments for services under any Revenue Sharing Agreement that would constitute or be deemed to constitute a Restricted Payment;

(13) any Restricted Payment used to fund the Transactions and the payment of fees and expenses incurred in connection with the Transactions or owed by the Company or any direct or indirect parent of the Company or its Restricted Subsidiaries to Affiliates, and any other payments made, including any such payments made to any direct or indirect parent of the Company to enable it to make payments, in connection with the consummation of the Transactions, whether payable on the Issue Date or thereafter, in each case on terms described in the Offering Memorandum under "Use of Proceeds" and to the extent permitted by Section 4.11;

(14) any Restricted Payments, to the extent required to be made by any Gaming Authority having jurisdiction over the Company or any of its Restricted Subsidiaries or Melco Resorts Macau (or any other operator of the Studio City Casino);

(15) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company or any Restricted Subsidiary; *provided, however*, that any such cash payment shall not be for the purpose of evading the limitation of this Section 4.07;

(16) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Company or any Subsidiary Guarantor pursuant to provisions similar to those described under Section 4.15, *provided that* all Notes tendered by holders of the Notes in connection with a Change of Control Offer have been repurchased, redeemed or acquired for value;

(17) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, that complies with Section 5.01; *provided that* as a result of such consolidation, merger or transfer of assets, the Company shall have made a Change of Control Offer (if required by this Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value; and

(18) other Restricted Payments in an aggregate amount not to exceed US$15.0 million since the Issue Date,

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (12), (13) and (18) of this Section 4.07(b), no Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Section 4.07 will be determined by the Board of Directors of the Company whose resolution with respect thereto will be delivered to the Trustee as set forth in an Officer's Certificate of the Company. The Company's Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of international standing (an "*Independent Financial Advisor*") if the Fair Market Value exceeds US$45.0 million.

Section 4.08 *Dividend and Other Payment Restrictions Affecting Subsidiaries*.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause, permit or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The restrictions in Section 4.08(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness or any other agreements in existence on the Issue Date as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements on the Issue Date;

(2) the Credit Facilities Documents (other than the Senior Secured Credit Facilities), and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* such Credit Facilities Documents and the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings thereof are not materially more restrictive, taken as a whole, with respect to such dividend and the other restrictions than those contained in the Senior Secured Credit Facilities;

(3) the Indenture, the Notes and the Note Guarantees;

(4) applicable law, rule, regulation or order, or governmental license, permit or concession;

(5) any agreement or instrument governing Indebtedness or Capital Stock of a Person or assets acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements or instruments; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements or instruments at the time of such acquisition); *provided further, that*, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be Incurred;

(6) customary non-assignment provisions in contracts and licenses including, without limitation, with respect to any intellectual property, entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.08(a)(3);

(8) any agreement for the sale or other disposition of Equity Interests or property or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided that* the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of Section 4.12 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting dividends or the disposition or distribution of assets, property or Equity Interests in joint venture or operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, merger agreements and other similar agreements entered into with the approval of the Company's Board of Directors, which limitation is applicable only to the assets, property or Equity Interests that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(13) any agreement or instrument with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of this Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals, supplements or amendments or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed, supplemented, amended or replaced.

Section 4.09 *Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not issue any shares of Disqualified Stock and the Company will not, and the Company will not permit any of its Restricted Subsidiaries, to issue any shares of Preferred Stock; *provided*, *however*, that the Company may Incur Indebtedness (including Acquired Indebtedness) or issue Disqualified Stock, and the Company or any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Preferred Stock, if the Fixed Charge Coverage Ratio of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been at least 2.00 to 1.00 determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The provisions of Section 4.09(a) hereof do not apply to the following (collectively, "*Permitted Debt*"):

(1) the Incurrence by the Company and the Subsidiary Guarantors of Indebtedness under Credit Facilities; *provided* that on the date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (1) (together with any refinancing thereof) does not exceed the sum of: (i)(x) US$35.0 million; plus (y) US$100.0 million Incurred in respect of the Phase II Project; *less* (ii), in the case of clause (i)(y), the aggregate amount of all Net Proceeds of Asset Sales applied since the Issue Date to repay any term Indebtedness Incurred pursuant to this clause (1)(i)(y) or to repay any revolving credit indebtedness Incurred under this clause (1)(i)(y) and effect a corresponding commitment reduction thereunder pursuant to Section 4.10 hereof;

(2) the Incurrence of Indebtedness represented by the Notes (other than Additional Notes) and the Note Guarantees (other than Note Guarantees for Additional Notes) and the Intercompany Note Proceeds Loans (if any);

(3) (a) the Incurrence by the Company or the Subsidiary Guarantors of Indebtedness in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (3)(a), not to exceed the greater of (x) an amount equal to 3.5 times the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the relevant time of determination and (y) US$1,200,000,000, and (b) Indebtedness existing on the Issue Date (other than the Indebtedness described in clauses (1) and (2));

(4) the Incurrence of Indebtedness of the Company or any of its Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or other assets (including through the acquisition of Capital Stock of any person that owns property, plant or other assets which will, upon acquisition, become a Restricted Subsidiary) used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (4), not to exceed the greater of (x) US$50.0 million and (y) 2.0% of Total Assets at any time outstanding;

(5) the Incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be Incurred under Section 4.09(a) or clauses (2), (3)(b), (4), (5) or (15) of this Section 4.09(b);

(6) (a) Obligations in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, bid, appeal and surety bonds and completion or performance guarantees (including the guarantee of any land grant) provided by the Company or any Restricted Subsidiary in connection with the Property or in the ordinary course of business and (b) Indebtedness constituting reimbursement obligations with respect to letters of credit or trade or bank guarantees (including for land grants) issued in the ordinary course of business to the extent that such letters of credit, trade or bank guarantees (including for land grants) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than thirty (30) days following receipt of a demand for reimbursement;

(7) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company or any of its Restricted Subsidiaries; *provided*, *however*, that:

(A) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Subsidiary Guarantor; and

(B) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (7);

(8) shares of Preferred Stock of a Restricted Subsidiary issued to the Company or another Restricted Subsidiary of the Company; *provided that*

(A) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(B) any sale or other transfer of any such Preferred Stock to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an issuance of such Preferred Stock by such Restricted Subsidiary that was not permitted by this clause (8).

(9) the Incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(10) the guarantee by the Company or any Restricted Subsidiary of the Company of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be Incurred by another provision of this Section 4.09; *provided that* if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(11) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

(12) to the extent constituting Indebtedness, agreements to pay service fees to professionals (including architects, engineers, contractors and designers) in furtherance of and/or in connection with the Property or agreements to pay fees and expenses or other amounts pursuant to the Services and Right to Use Agreement or the MSA or otherwise arising under the Services and Right to Use Agreement or the MSA in the ordinary course of business (*provided, that* no such agreements shall give rise to Indebtedness for borrowed money);

(13) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, or performance bonds securing any obligation of the Company or any Restricted Subsidiary of the Company pursuant to such agreements, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided, that* the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received in connection with such disposition;

(14) Obligations in respect of Shareholder Subordinated Debt;

(15) any guarantees made solely in connection with (and limited in scope to) the giving of a Lien of the type specified in clause (22) of "Permitted Liens" to secure Indebtedness of an Unrestricted Subsidiary, the only recourse of which to the Company and its Restricted Subsidiaries is to the Equity Interests subject to the Liens;

(16) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (16), not to exceed US$50.0 million; and

(17) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in respect of the Phase II Project in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (17), not to exceed the greater of (x) 75% of the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available (which figure shall be based on audited financial information, if for an annual period) and (y) US$350.0 million.

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (17) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its Incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4.09. Indebtedness incurred under the Senior Secured Credit Facilities will be deemed to have been incurred in reliance on the exception provided by clause (1)(x) of the definition of Permitted Debt and may not be reclassified. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 4.09; provided, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Company as accrued. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary of the Company may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Further, for purposes of determining compliance with this covenant, to the extent the Company or any of its Restricted Subsidiaries guarantees Indebtedness of a direct or indirect parent entity to the extent otherwise permitted by this covenant, the on-loan by such direct or indirect parent entity to the Company or any of its Restricted Subsidiaries of all or a portion of the principal amount of such Indebtedness will not be double counted.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the face amount of the Indebtedness of the other Person.

Section 4.10 *Asset Sales.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale (other than an Event of Loss), unless:

(1) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;

(B) any securities, notes or other Obligations received by the Company or any such Restricted Subsidiary from such transferee that are, within 30 days of the receipt thereof, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any stock or assets of the kind referred to in Section 4.10(b)(2) or Section 4.10(b)(4).

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale (including an Event of Loss), the Company or the applicable Restricted Subsidiary, as the case may be may apply such Net Proceeds:

(1) to repay (a) Indebtedness Incurred under Section 4.09(b)(1) and Section 4.09(b)(17), (b) other Indebtedness of the Company or a Subsidiary Guarantor secured by property and assets that are the subject of such Asset Sale, and, in each case, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (c) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or (d) the Notes pursuant to the redemption provisions of this Indenture;

(2) to acquire all or substantially all of the assets of another Permitted Business, or any Capital Stock of, a Person undertaking another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Company (*provided that* (a) such acquisition funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets or Capital Stock is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds);

(3) to make a capital expenditure (*provided that* any such capital expenditure funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to make such capital expenditure is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss); or

(4) to acquire other assets that are not classified as current assets under U.S. GAAP and that are used or useful in a Permitted Business (*provided that* (a) such acquisition funded from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds); or

(5) enter into a binding commitment regarding clauses (2), (3) or (4) above (in addition to the binding commitments expressly referenced in those clauses); *provided that* such binding commitment shall be treated as a permitted application of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 360-day period. To the extent such acquisition or expenditure is not consummated on or before such 180th day and the Company or such Restricted Subsidiary shall not have applied such Net Proceeds pursuant to clauses (2), (3) or (4) above on or before such 180th day, such commitment shall be deemed not to have been a permitted application of Net Proceeds, and such Net Proceeds will constitute Excess Proceeds.

(c) Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(d) Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this Section 4.10 will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds US$5.0 million, within ten (10) days thereof, the Company shall make an Asset Sale Offer to all Holders with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Company will purchase all tendered Notes on a *pro rata* basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

(e) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Section 3.09 hereof or this Section 4.10, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under Section 3.09 hereof or this Section 4.10 by virtue thereof.

Section 4.11 *Transactions with Affiliates.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$55.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this Section 4.11(a) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company or, if the Board of Directors of the Company has no disinterested directors, approved in good faith by a majority of the members (or in the case of a single member, the sole member) of the Board of Directors of the Company; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$70.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of national standing with experience appraising the terms and conditions of the type of transaction or series of related transactions.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 4.11(a) hereof:

(1) any employment agreement, employee benefit plan (including compensation, retirement, disability, severance and other similar plan), officer or director indemnification, stock option or incentive plan or agreement, employee equity subscription agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Company solely because the Company owns directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable officers' and directors' fees and reimbursement of expenses (including the provision of indemnity to officers and directors) to Persons who are not otherwise Affiliates of the Company;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company or contribution to the common equity capital of the Company;

(6) Restricted Payments (including any payments made under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA) that do not violate Section 4.07 hereof;

(7) any agreement or arrangement existing on the Issue Date, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals (so long as any such agreement or arrangement together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the original agreement or arrangement as in effect on the Issue Date, unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority, in each case having jurisdiction over the Studio City Casino, Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR);

(8) loans or advances to employees (including personnel who provide services to the Company or any of its Restricted Subsidiaries pursuant to the MSA) in the ordinary course of business not to exceed US$2.0 million in the aggregate at any one time outstanding;

(9) [RESERVED];

(10) (a) transactions or arrangements under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof (so long as the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, as in effect on the Issue Date or, as determined in good faith by the Board of Directors of the Company, would not materially and adversely affect the Company's ability to make payments of principal of and interest on the Notes) and (b) other than with respect to transactions or arrangements subject to clause (a) above, transactions or arrangements with customers, clients, suppliers or sellers of goods or services in the ordinary course of business, on terms that are fair to the Company or any of its Restricted Subsidiaries, as applicable, or are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arms-length basis from a Person that is not an Affiliate of the Company, in the case of each of (a) and (b), unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority having jurisdiction over Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR;

(11) the execution of the Transactions, and the payment of all fees and expenses relating to the Transactions described in the Offering Memorandum;

(12) transactions or arrangements to be entered into in connection with the Property in the ordinary course of business (including, for the avoidance of doubt, transactions or arrangements necessary to conduct a Permitted Business) including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof; *provided* that such transactions or arrangements must comply with clauses 4.11(a)(1) and (a)(2)(A) hereof;

(13) transactions or arrangements duly approved by the Audit and Risk Committee of Studio City International (or any other committee of the Board of Directors of Studio City International so long as such committee consists entirely of independent directors) and the Company delivers to the Trustee a copy of the resolution of the Audit and Risk Committee of Studio City International (or, if applicable, such other committee) annexed to an Officer's Certificate certifying that such Affiliate Transaction complies with this clause (13) and that such Affiliate Transaction has been duly approved by the Audit and Risk Committee of Studio City International (or, if applicable, such other committee);

(14) execution, delivery and performance of any tax sharing agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes; and

(15) provision by, between, among, to or from Persons who may be deemed Affiliates of group administrative, treasury, legal, accounting and similar services.

Section 4.12 *Liens.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired or any proceeds, income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens, or, if such Lien is not a Permitted Lien, unless the Notes and the Note Guarantees are secured on a *pari passu* basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

Section 4.13 *Business Activities.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries (taken as a whole).

Section 4.14 *Corporate Existence.*

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided, however,* that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders.

Section 4.15 *Offer to Repurchase upon Change of Control.*

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full pursuant to Section 3.07 hereof. Within ten (10) days following any Change of Control, except to the extent that the Company has exercised its right to redeem the Notes by delivery of a notice of redemption pursuant to Section 3.03 hereof, the Company shall mail a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date (the "*Change of Control Payment*"));

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(4) that any Note not tendered will continue to accrue interest;

(5) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(6) the Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(7) the Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased, and

(8) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, *provided* that the unpurchased portion has a minimum denomination of US$200,000.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

The Paying Agent will promptly mail (but in any case not later than five (5) days after the Change of Control Payment Date) to each Holder properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, *provided* that the unpurchased portion has a minimum denomination of US$200,000. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.15 hereof and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.03 hereof, unless and until there is a default in payment of the applicable redemption price.

(d) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(e) Notes repurchased by the Company pursuant to a Change of Control Offer will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

(f) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of the Notes pursuant to this Section 4.15. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.15, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.15 by virtue of such compliance.

Section 4.16 *Payments for Consents.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture, the Notes or the Note Guarantees unless such consideration is (1) offered to be paid; and (2) is paid to all Holders that consent, waive or agree to amend within the time frame and on the terms set forth in the solicitation documents relating to such consent, waiver or agreement.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes in connection with an exchange offer, the Company and any of the Restricted Subsidiaries may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company or any of its Restricted Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Company or any of its Restricted Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company or any of its Restricted Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Section 4.17 *Future Subsidiary Guarantors.*

(a) If the Company or any of its Restricted Subsidiaries acquires or creates another Subsidiary after the Issue Date, then the Company shall cause such newly acquired or created Subsidiary to become a Subsidiary Guarantor (in the event that such Subsidiary provides a guarantee of any other Indebtedness of the Company or a Subsidiary Guarantor of the type specified under clauses (1) or (2) of the definition of "Indebtedness"), at which time such Subsidiary shall:

(1) execute a supplemental indenture in the form attached as Exhibit D hereto pursuant to which such Subsidiary shall unconditionally guarantee, on a senior basis, all of the Company's Obligations under this Indenture and the Notes on the terms set forth in this Indenture;

(2) take such further action and execute and deliver such other documents as otherwise may be reasonably requested by the Trustee to give effect to the foregoing; and

(3) deliver to the Trustee an Opinion of Counsel that (i) such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Subsidiary and constitute legal, valid, binding and enforceable Obligations of such Subsidiary.

(b) Notwithstanding the foregoing, any Guarantee of the Notes created pursuant to the provisions described in paragraph (a) above may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) (with respect to any Guarantee created after the date of this Indenture) the release by the holders of the Company's or the Subsidiary Guarantor's Indebtedness described in paragraph (a) above, of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness other than as a result of payment under such guarantee), at a time when:

(A) no other Indebtedness of either the Company or any Subsidiary Guarantor has been guaranteed by such Restricted Subsidiary; or

(B) the holders of all such other Indebtedness that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness other than as a result of payment under such guarantee); or

(2) the release of the Note Guarantees on the terms and conditions and in the circumstances described in Section 11.08 hereof.

(c) Each additional Note Guarantee will be limited as necessary to recognize certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law. Notwithstanding Section 4.17(a) hereof, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (i) any liability for the officers, directors or shareholders of such Restricted Subsidiary or (ii) any significant cost, expense, liability or obligation (including with respect of any Taxes, but excluding any reasonable guarantee or similar fee payable to the Company or a Restricted Subsidiary of the Company) other than reasonable out of pocket expenses.

Section 4.18 *Designation of Restricted and Unrestricted Subsidiaries.*

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default; *provided that* in no event will the business currently operated by the Company, Studio City Developments Limited, Studio City Entertainment Limited or Studio City Hotels Limited be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07 hereof or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate of the Company certifying that such designation complied with the preceding conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Section 4.09 hereof, the Company will be in Default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4.09 hereof, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the reference period; and (2) no Default or Event of Default would be in existence following such designation. On such designation, the Company shall deliver an Officer's Certificate of the Company to the Trustee regarding such designation and certifying that such designation complies with the preceding conditions and the relevant covenants under this Indenture.

Section 4.19 *Listing.*

The Company will use its commercially reasonable efforts to list and maintain the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited or another comparable exchange.

Section 4.20 *Limitations on Use of Proceeds*

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than as set forth under the caption "Use of Proceeds" in the Offering Memorandum.

Section 4.21 *Special Put Option.*

(a) Upon a Special Put Option Triggering Event, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes pursuant to a Special Put Option Offer (as defined below) on the terms set forth in this Section 4.21. In the Special Put Option Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full as described under Section 3.07 hereof.

(b) Within ten days following the occurrence of a Special Put Option Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption as described under Section 3.07 hereof the Company shall mail a notice (a "*Special Put Option Offer*") to each Holder with a copy to the Trustee and the Paying Agent stating:

(1) that a Special Put Option Triggering Event has occurred and that such holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date);

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(3) the instructions determined by the Company, consistent with this Section 4.21, that a Holder must follow in order to have its Notes repurchased.

(c) On the date of repurchase pursuant to a Special Put Option Offer, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Special Put Option Offer;

(2) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Special Put Option Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee, the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

(d) The Paying Agent will promptly mail to each Holder properly tendered the Special Put Option Payment for such Notes, and the Trustee, or its authenticating agent, will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

(e) The provisions described in this Section 4.21 that require the Company to make a Special Put Option Offer following a Special Put Option Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described this Section 4.21 with respect to a Special Put Option Triggering Event, this Indenture does not contain provisions that permit the Holders to require that the Company repurchase or redeem the Notes in the event of a termination, rescission or expiration of any Gaming License.

(f) The Company will not be required to make a Special Put Option Offer upon a Special Put Option Triggering Event if (1) a third party makes the Special Put Option Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Special Put Option Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Special Put Option Offer, or (2) notice of redemption has been given in accordance with Section 3.07 and Section 3.10 hereof pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

(g) Notes repurchased by the Company pursuant to a Special Put Option Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to sub-clause (b)(3) of this Section 4.21 will have the status of Notes issued and outstanding.

(h) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this provision. To the extent that the provisions of any securities laws or regulations conflict with provisions of this provision, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Section 4.22 *Intercompany Note Proceeds Loans*

The Company shall, and shall cause its Restricted Subsidiaries to, ensure that:

(1) the Intercompany Note Proceeds Loans (if any) are subordinated in right of payment to the Guarantees provided by the Company's Restricted Subsidiaries party thereto;

(2) the Company will receive interest payments under such Intercompany Note Proceeds Loans (if any) in amounts sufficient for the Company to make interest payments under the Notes as they become due; and

(3) the maturity date of such Intercompany Note Proceeds Loans (if any) will be same as the maturity date of the Notes.

Section 4.23 *Suspension of Covenants*

(a) The following covenants (the "*Suspended Covenants*") will not apply during any period during which the Notes have an Investment Grade Status (a "*Suspension Period*"): Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 5.01(a)(3) and Section 4.17. Additionally, during any Suspension Period, the Company will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

(b) In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") the Notes cease to have Investment Grade Status, then the Suspended Covenants will apply with respect to events occurring following the Reversion Date (unless and until the Notes subsequently attain an Investment Grade Status, in which case the Suspended Covenants will again be suspended for such time that the Notes maintain an Investment Grade Status); *provided*, *however*, that no Default or Event of Default will be deemed to exist under the Indenture with respect to the Suspended Covenants, and none of the Company or any of its Subsidiaries will bear any liability for any actions taken or events occurring during a Suspension Period and before any related Reversion Date, or any actions taken at any time pursuant to any contractual obligation or binding commitment arising prior to such Reversion Date, regardless of whether those actions or events would have been permitted if the applicable Suspended Covenant had remained in effect during such period. The Company shall notify the Trustee should the Notes achieve Investment Grade Status; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall be under no obligation to notify the holders of the Notes that the Notes have achieved Investment Grade Status.

(c) On each Reversion Date, all Indebtedness Incurred during the Suspension Period prior to such Reversion Date will be deemed to be Indebtedness existing on the Issue Date. For purposes of calculating the amount available to be made as Restricted Payments under Section 4.07(a)(4)(C) hereof on or after the Reversion Date, calculations under such covenant shall be made as though such covenant had been in effect during the entire period of time after the Issue Date (including the Suspension Period). Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (2) through (6) or (18) under Section 4.07(b) hereof will reduce the amount available to be made as Restricted Payments under Section 4.07(a)(4)(C) hereof; provided, that the amount available to be made as Restricted Payments on the Reversion Date shall not be reduced to below zero solely as a result of such Restricted Payments. In addition, for purposes of the other Suspended Covenants, all agreements entered into and all actions taken during the Suspension Period, including, without limitation, the Incurrence of Indebtedness shall be deemed to have been taken or to have existed prior to the Issue Date.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, or Sale of Assets.*

(a) *The Company*. The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of the Company with or a merger of the Company with or into any other Person, the Company shall be the surviving entity of such merger or consolidation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Notes and this Indenture, pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee;

(2) immediately after such transaction, no Default or Event of Default exists; and

(3) the Company, or if applicable, the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made, would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof.

(b) *The Subsidiary Guarantors*. Subject to the Section 11.08(c) hereof, no Subsidiary Guarantor will, and the Company will not permit any Subsidiary Guarantor to, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor in one or more related transactions, to another Person, unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of such Subsidiary Guarantor with or a merger of such Subsidiary Guarantor with or into any other Person, such Subsidiary Guarantor shall be the surviving entity of such consolidation or merger; or

(B) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of such Subsidiary Guarantor under its Note Guarantee and this Indenture, pursuant to a supplemental indenture; and

(2) immediately after such transaction, no Default or Event of Default exists.

(c) This Section 5.01 will not apply to:

(1) a merger of the Company or a Subsidiary Guarantor, as the case may be, with an Affiliate solely for the purpose of reincorporating the Company or a Subsidiary Guarantor, as the case may be, in another jurisdiction; or

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets between or among the Company and the Subsidiary Guarantors or between or among the Subsidiary Guarantors.

Upon consummation of any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets by a Subsidiary Guarantor with or into the Company or another Subsidiary Guarantor in accordance with this Section 5.01 which results in a Subsidiary Guarantor distributing all of its assets (other than *de minimis* assets required by law to maintain its corporate existence) to the Company or another Subsidiary Guarantor, such transferring Subsidiary Guarantor may be wound up pursuant to a solvent liquidation or solvent reorganization, provided it shall have no third party recourse Indebtedness or be the obligor under any intercompany Indebtedness.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided, however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

(a) Each of the following is an event of default (an "*Event of Default*"):

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption, upon required repurchase, or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with its obligations under the provisions of Section 3.09, 4.10, 4.15, 4.21 or 5.01 hereof;

(4) failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture,;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates US$20.0 million or more at any time outstanding;

(6) failure by the Company or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction (other than any judgment as to which a reputable third party insurer has accepted full responsibility and coverage) aggregating in excess of US$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case or is the subject of a petition by a creditor to have it declared bankrupt,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary;

(9) except as permitted by this Indenture, (a) any Note Guarantee being held in any judicial proceeding in a competent jurisdiction to be unenforceable or invalid or ceases for any reason to be in full force and effect, or (b) any Person acting on behalf of any Subsidiary Guarantor, denying or disaffirming its Obligations under its Note Guarantee; and

(10) the termination or rescission of any Gaming License or the Macau government takes any formal measure to do so (excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; provided that such renewal, tender or other process results in the granting or renewal of the relevant Gaming License).

Section 6.02 *Acceleration.*

In the case of an Event of Default specified in Section 6.01(a)(7) or 6.01(a)(8) hereof, with respect to the Company, any Restricted Subsidiary of the Company that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately.

The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of all of the Holders, rescind an acceleration (including any related payment default that resulted from such acceleration) and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except non-payment of principal of, premium, if any, or interest on the Notes).

Section 6.03 *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Additional Amounts, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 *Waiver of Past Defaults.*

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase); *provided, however*, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority.*

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct, in writing, the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability.

Section 6.06 *Limitation on Suits.*

(a) Subject to the provisions of this Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any Holders unless such Holders have offered to the Trustee indemnity and/or security to its satisfaction against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have made a written request to the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity to its satisfaction; and

(5) during such 60-day period, Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a written direction inconsistent with such request.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 *Rights of Holders to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, Additional Amounts, if any, and interest on the Notes, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; *provided that* a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee.*

If an Event of Default specified in Section 6.01(a)(1) or (a)(2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, Additional Amounts, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and premium, if any and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities.*

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, the Agents, and their respective agents and attorneys for amounts due under Section 7.08 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or any Agent, and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, Additional Amounts, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, Additional Amounts, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) other than with respect to a payment default, the Trustee shall not be charged with knowledge of any Default or Event of Default unless written notice has been delivered to a Responsible Officer at the Corporate Trust Office of the Trustee referencing the applicable provision of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee, to expend or risk its own funds or incur any liability.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee.*

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may engage and consult with professional advisors and counsel selected by it at the reasonable expense of the Company, and the Trustee may rely conclusively upon advice of such professional advisors and counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon by the Trustee and any of its directors, officers, employees or agents duly appointed.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care. The Trustee shall have no duty to monitor the performance of such agents.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. The Trustee shall not be required to take action at the direction of the Company or Holders which conflicts with the requirements of this Indenture or for which it is not indemnified to its satisfaction, or which involves undue risk or would be contrary to applicable law or regulation.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer or a director of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it in its sole discretion against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, epidemic, pandemic (or any government restrictions imposed in response to an epidemic or pandemic) work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services and the unavailability of the Federal Reserve Bank wire or facsimile or other communication facility; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(h) The recitals contained herein and in the Notes are made by the Company and not by the Trustee, and the Trustee, does not assume any responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Notes.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) The rights, privileges, indemnity, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder and each agent, custodian and other Person employed to act hereunder *provided*, *however* any such agent or custodian shall not be deemed to be a fiduciary;

(l) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture;

(m) In the event that the Trustee and Agents shall be uncertain as to their respective duties or rights hereunder or shall receive instructions, claims or demands from the Company, which in their opinion, conflict with any of the provisions of this Indenture, they shall be entitled to refrain from taking action until directed in writing by a final order or judgment of a court of competent jurisdiction;

(n) So long as any of the Notes remains outstanding, the Company shall provide the Agents with a sufficient number of copies of this Indenture and each of the documents sent to the Trustee or which are required to be made available by stock exchange regulations or stated in the Offering Memorandum relating to the Notes, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office during normal office hours for examination by the Holders and that copies thereof will be furnished to the Holders upon written request at their own expense;

(o) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate and/or an Opinion of Counsel;

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, will be taken and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved;

(q) The Trustee may, before commencing (or at any time during the continuance of) any act, action or proceeding, require the Holders at whose instance it is acting to deposit with the Trustee the Notes held by them, for which Notes the Trustee to which such Notes are deposited shall issue receipts to such Holders;

(r) Notwithstanding any other provision of this Indenture, the Trustee and the Paying Agent shall be entitled to make a deduction or withholding from any payment which they make under this Indenture for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event the Trustee or the Paying Agent, as applicable, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted;

(s) The Trustee shall (except as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Indenture or by applicable law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, absent any wilful misconduct, gross negligence or fraud on the part of the Trustee the Trustee shall not be responsible for any loss, damage, cost, claim or any other liability or inconvenience that may result from the exercise or non-exercise thereof;

(t) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice of the Company mentioned herein shall be sufficiently evidenced if in writing and signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficiently evidenced by a board resolution;

(u) The Trustee shall have no duty to inquire as to the performance of the covenants of the Company or its Restricted Subsidiaries. Delivery of reports, information and documents to the Trustee under Section 4.03 hereof shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates);

(v) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes;

(w) The Trustee is not required to give any bond or surety with respect to the performance of its duty or the exercise of its power under this Indenture or the Notes;

(x) No provision of this Indenture shall require the Trustee to do anything which, in its opinion, may be illegal or contrary to applicable law or regulation;

(y) The Trustee may assume without inquiry in the absence of actual knowledge that the Company is duly complying with its obligations contained in this Indenture required to be performed and observed by them, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred; and

(z) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

Section 7.03 *[Intentionally Omitted.]*

Section 7.04 *Individual Rights of Trustee.*

(a) The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. The Trustee is also subject to Section 7.11 hereof.

(b) If the Trustee becomes a creditor of the Company or a Subsidiary Guarantor, this Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires actual knowledge that it has any conflicting interest it must eliminate such conflict within 90 days or resign.

Section 7.05 *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than the certificate of authentication. The Trustee shall not be deemed to be required to calculate any Fixed Charges, Treasury Rates, Additional Amounts, any make-whole amount, any Fixed Charge Coverage Ratio or other coverage ratio, or otherwise.

Section 7.06 *Notice of Defaults.*

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within ninety (90) days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, Additional Amounts, if any, or interest on, any Note, the Trustee shall not be deemed to have such actual knowledge and may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.07 *[Intentionally Omitted.]*

Section 7.08 *Compensation and Indemnity.*

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder pursuant to a written fee agreement executed or as otherwise agreed by the Trustee and the Company. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses properly incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Subsidiary Guarantors will indemnify the Trustee and its officers, directors, employees and agents against any and all losses, liabilities or expenses (including the fees and expenses of counsel) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Subsidiary Guarantors (including this Section 7.08) and defending itself against any claim (whether asserted by the Company, the Subsidiary Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable solely to its gross negligence, willful misconduct or fraud as determined by a court of competent jurisdiction in a final non-appealable order. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not relieve the Company or any of the Subsidiary Guarantors of their obligations hereunder. The Company or such Subsidiary Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Subsidiary Guarantor need to pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Subsidiary Guarantors under this Section 7.08 will survive the satisfaction and discharge of this Indenture, and the resignation or removal of the Trustee and/or any Agent.

(d) To secure the Company's and the Subsidiary Guarantors' payment obligations in this Section 7.08, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(7) or Section 6.01(a)(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.09 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.11 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one (1) year after the successor Trustee takes office, the holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee at the sole expense of the Company.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.11 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.08 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.09, the Company's obligations under Section 7.08 hereof will continue for the benefit of the retiring Trustee.

Section 7.10 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.11 *Eligibility; Disqualification.*

There shall at all times be a Trustee hereunder that is entitled to carry out the activities of a trustee under the laws of England and Wales, or Hong Kong or the State of New York or is a corporation organized or doing business under the laws of the United States of America or any state thereof or the District of Columbia that is authorized under such laws to exercise corporate trustee power and that is a corporation which is generally recognized as a corporation which customarily performs such corporate trustee roles and provides such corporate trustee services in transactions similar in nature to the offering of the Notes. No obligor under the Notes or Person directly controlling, controlled by, or under common control with such obligor shall serve as trustee under the Notes.

Section 7.12 *Appointment of Co-Trustee.*

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction or otherwise, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustees, of all or any part of this Indenture, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.09 hereof and no notice to the Holders of the appointment of any co-trustee or separate trustee shall be required.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(1) All rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee.

(2) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(3) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Section 7.12. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies, and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 7.13 *Resignation of Agents.*

Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and the Company. The Trustee or the Company may remove any Agent at any time by giving thirty (30) days' prior written notice to such Agent. Upon such notice, a successor Agent shall be appointed by the Company, who shall provide written notice of such to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Company is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent shall deliver any funds then held hereunder in its possession to the Trustee or (i) such Agent may appoint as its successor Agent, any reputable and experienced financial institution acceptable to the Trustee and the Company or (ii) apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The reasonable costs and expenses (including its counsels' fees and expenses) incurred by the Agent in connection with such proceeding shall be paid by the Company. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery of any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.08 hereof.

Section 7.14 *Agents General Provisions.*

(a) The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) The Company and the Agents acknowledge and agree that in the event of a Default or Event of Default, the Trustee may, by notice in writing to the Company and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee. Until they have received such written notice from the Trustee, the Agents shall act solely as agents of the Company and need have no concern for the interests of the Holders.

(c) In the event that instructions given to any Agent are not reasonably clear, then such Agent shall be entitled to seek clarification from the Company or other party entitled to give the Agents instructions under this Indenture. If an Agent has sought clarification in accordance with this Section 7.14(c), then such Agent shall be entitled to take no action until such clarification is provided, and shall not incur any liability for not taking any action pending receipt of such clarification.

(d) The Agents shall only have such duties as expressly set out in this Indenture.

(e) The Company shall provide the Agents with a certified list of authorized signatories.

Section 7.15 *Rights of Trustee in Other Roles.*

All rights, powers and indemnities contained in this Article 7 shall apply to the Trustee in its other roles hereunder and to the Agents.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 *Legal Defeasance and Discharge.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Subsidiary Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their Obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company and the Subsidiary Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's Obligations with respect to the Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee, the Paying Agent and Transfer Agent and the Registrar, and the Company's and the Subsidiary Guarantors' Obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 *Covenant Defeasance.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each of the Subsidiary Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18, 4.19 and 4.21 hereof and Section 5.01(a)(3) hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Subsidiary Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof and Section 6.01(a)(3) through 6.01(a)(5) hereof will not constitute Events of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officer’s Certificate of the Company stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officer’s Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

(8) The Trustee shall be entitled to its usual fees and, in addition, any fees and expenses incurred or charged by the Trustee and its counsel in connection with defeasance, satisfaction and discharge, and investment or custody services provided hereunder.

Section 8.05 *Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06 hereof, all money and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, and Additional Amounts, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two (2) years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than thirty (30) days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Subsidiary Guarantors' obligations under this Indenture and the Notes and the Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided*, *however*, that, if the Company makes any payment of principal of, premium, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders of Notes.*

Notwithstanding Section 9.02 of this Indenture, the Company, the Subsidiary Guarantors, the Trustee (as applicable and to the extent each is a party to the relevant document) may amend or supplement this Indenture, the Notes, and/or the Note Guarantees without the consent of any Holder:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Subsidiary Guarantor's Obligations under the Notes or the Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Subsidiary Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any such Holder;

(5) to conform the text of the Notes, this Indenture or the Note Guarantees to any provision of the "Description of Notes" section of the Offering Memorandum, to the extent that such provision in that "Description of Notes" section of the Offering Memorandum was intended to be a verbatim recitation of a provision of the Notes, this Indenture or the Note Guarantees, which intent shall be evidenced by an Officer's Certificate of the Company to that effect;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture; or

(7) to allow any Subsidiary Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes or to release any Subsidiary Guarantor from its Note Guarantee in accordance with the terms of this Indenture.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee, will join with the Company and the Subsidiary Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee nor any Agent will be obligated to (although they may at their discretion) enter into such amended or supplemental indenture that affects their own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 *With Consent of Holders of Notes.*

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof) and the Notes, and the Company, the Trustee and the Subsidiary Guarantors, may amend or supplement the Note Guarantees with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Additional Amounts, if any, or interest on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, 9.06, 13.04 and 13.05 hereof, the Trustee, will join with the Company and the Subsidiary Guarantors in the execution of such amended or supplemental indenture authorized or permitted by the terms of this Indenture unless such amended or supplemental indenture directly affects the Trustee's or any Agent's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee and/or each Agent may in their discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder (including the Additional Notes) affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes (including the Additional Notes) held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of, premium, if any, or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 4.10, 4.21 and 4.15 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or premium, if any, on, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by Section 3.09, 4.10, 4.21 or 4.15 hereof);

(8) release any Subsidiary Guarantor from any of its Obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in the preceding amendment and waiver provisions.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants described under Article 4 shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or premium, if any, or interest on, the Notes.

Section 9.03 *Supplemental Indenture.*

Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

Section 9.04 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive security and/or indemnity to its reasonable satisfaction. The Trustee (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture, that the supplemental indenture is legal, valid, binding and enforceable against the Company in accordance with its terms and such other matters as the Trustee may request. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE 10
[INTENTIONALLY OMITTED]

ARTICLE 11
NOTE GUARANTEES

Section 11.01 *Guarantee.*

(a) Each Subsidiary Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee, successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts, if any, on the Notes and all other monetary obligations of the Company under this Indenture and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "*Guaranteed Obligations*"). Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Subsidiary Guarantor, and that each such Subsidiary Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Subsidiary Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for non-payment. Each Subsidiary Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (4) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Subsidiary.

(c) Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Subsidiary Guarantors, such that such Subsidiary Guarantor's obligations would be less than the full amount claimed. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Subsidiary Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Subsidiary Guarantor hereunder. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against such Subsidiary Guarantor.

(d) Each Subsidiary Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or would otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, each Subsidiary Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Subsidiary Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee.

(h) Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of Section 11.01.

(i) Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01.

(j) Upon request of the Trustee, each Subsidiary Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 11.02 *Limitation on Liability.*

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Subsidiary Guarantor without rendering the Note Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to ultra vires, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law.

Section 11.03 *Successors and Assigns.*

This Article 11 shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 11.04 *No Waiver.*

Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

Section 11.05 *Modification.*

No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 11.06 *Execution of Supplemental Indenture for Future Subsidiary Guarantors.*

Each Restricted Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 4.17 hereof shall promptly execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary shall become a Subsidiary Guarantor under this Article 11 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Subsidiary Guarantor is a legal, valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms and/or to such other matters as the Trustee may reasonably request.

Section 11.07 *Non-Impairment.*

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

Section 11.08 *Release of Guarantees.*

(a) Subject to paragraphs (b) and (c), each Note Guarantee, once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations, (ii) be binding upon each Subsidiary Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their successors, transferees and assigns.

(b) The Note Guarantee of a Subsidiary Guarantor with respect to the Notes will be automatically and unconditionally released and discharged:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or, consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 5.01 hereof;

(2) in connection with any sale or other disposition of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate Section 4.10 or 5.01 hereof and such Subsidiary Guarantor ceases to be a Restricted Subsidiary of the Company as a result of such sale or other disposition;

(3) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.18 hereof;

(4) upon Legal Defeasance or satisfaction and discharge of the Indenture as provided by Articles 8 and 12 of this Indenture;

(5) upon payment in full of the principal of, premium, if any, and accrued and unpaid interest on, the Notes and all other Obligations that are then due and payable thereunder;

(6) upon the merger or consolidation of any Subsidiary Guarantor with and into the Company or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction) that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to the Company or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction); or

(7) as described under Article 9 hereof.

(c) Each Holder hereby authorizes the Trustee to take all actions to effectuate any release in accordance with the provisions of this Section 11.08, subject to customary and reasonably satisfactory protections and indemnifications provided by the Company to the Trustee.

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01 *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one (1) year and the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(3) the Company or any Subsidiary Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate of the Company and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to sub clause (b) of clause (1) of this Section 12.01, the provisions of Sections 12.02 and 8.06 hereof will survive.

Section 12.02 *Application of Trust Money.*

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any cash in U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided that* if the Company has made any payment of principal of, premium, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the cash in U.S. dollars or non-callable U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *[Intentionally Omitted].*

Section 13.02 *Notices.*

Any notice or communication by the Company or the Trustee to the others is duly given if in writing, in the English language, and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile transmission, electronic mail (in pdf format) or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company, Studio City Investments Limited, Studio City Company Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, SCP Holdings Limited, SCIP Holdings Limited, SCP One Limited and/or SCP Two Limited:

Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands

With a copy to:

Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to Studio City Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and/or Studio City Developments Limited:

Avenida da Praia Grande
nº 594, 15º andar A
Macau

With a copy to:

Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

With a copy to:
Ashurst Hong Kong
11/F Jardine House
1 Connaught Place
Central, Hong Kong
Facsimile No.: +852 2868 0898
Attention: Anna-Marie Slot

If to Studio City (HK) Two Limited:

36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to the Trustee, the Paying Agent, Registrar and Transfer Agent:
Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2405
New York, NY 10005
United States

Facsimile No.: (732) 578-4635
Attention: Corporates Team – Studio City Finance Limited Deal ID: SF4033

The Company, any Subsidiary Guarantor, the Trustee and any Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be electronically delivered, mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. All notices to the Holders (while any Notes are represented by one or more Global Notes) shall be delivered to DTC, for communication to entitled account Holders, and any obligation to give notice to the Holders will be discharged upon delivery of such notice to DTC. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.If a notice or communication is mailed or delivered in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails or delivers a notice or communication to Holders, it will mail or deliver a copy to the Trustee and each Agent at the same time.

Section 13.03 *Communication by Holders of Notes with Other Holders of Notes.*

Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 13.04 *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05 *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06 *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.07 *No Personal Liability of Directors, Officers, Employees and Stockholders.*

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Subsidiary Guarantor, as such, will have any liability for any obligations of the Company or the Subsidiary Guarantors under the Notes, this Indenture or the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.08 *Governing Law.*

THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 13.09 *No Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 *Successors.*

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee and each Agent in this Indenture will bind their respective successors. All agreements of each Subsidiary Guarantor in this Indenture will bind their respective successors, except as otherwise provided in Section 11.05 hereof.

Section 13.11 *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.12 *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture, and all matters and agreements related thereto (including the Notes), with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture, the Notes or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture, the Notes or related hereto or thereto (including, without limitation, supplements, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("**Executed Documentation**") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee or any Agent acts on any Executed Documentation sent by electronic transmission, the Trustee or any Agent will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee or any Agent shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee or any Agent acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.13 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.14 *Patriot Act*

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA Patriot Act of the United States ("Applicable Law"), the Trustee and Agents are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee and Agents. Accordingly, each of the parties agree to provide to the Trustee and Agents, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee and Agents to comply with Applicable Law.

Section 13.15 *Submission to Jurisdiction; Waiver of Jury Trial*

THE COMPANY AND EACH SUBSIDIARY GUARANTOR HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTE GUARANTEES, THE NOTES AND ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT OR PROCEEDING IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE TRUSTEE OR ANY HOLDER OF THE NOTES TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY APPOINTS LAW DEBENTURE CORPORATE SERVICES INC., 801 2ND AVENUE, SUITE 403, NEW YORK, NEW YORK, 10017 , AS ITS AUTHORIZED AGENT IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK UPON WHICH PROCESS MAY BE SERVED IN ANY SUCH SUIT OR PROCEEDING, AND AGREES THAT SERVICE OF PROCESS UPON SUCH AGENT, AND WRITTEN NOTICE OF SAID SERVICE TO THE COMPANY BY THE PERSON SERVING THE SAME TO THE ADDRESS PROVIDED IN SECTION 13.02, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE COMPANY OR ANY SUBSIDIARY GUARANTOR, AS THE CASE MAY BE, IN ANY SUCH SUIT OR PROCEEDING. THE COMPANY AND EACH SUBSIDIARY GUARANTOR FURTHER AGREES TO TAKE ANY AND ALL ACTION AS MAY BE NECESSARY TO MAINTAIN SUCH DESIGNATION AND APPOINTMENT OF SUCH AGENT IN FULL FORCE AND EFFECT FOR SO LONG AS THE NOTES ARE OUTSTANDING FROM THE DATE OF THIS INDENTURE.

EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION 13.15 HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO (OR ASSIGNMENTS OF) THIS INDENTURE. IN THE EVENT OF LITIGATION, THIS INDENTURE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL (WITHOUT A JURY) BY THE COURT.

[Signatures on following page]

SIGNATURES

Dated as of January 14, 2021

STUDIO CITY FINANCE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY INVESTMENTS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY COMPANY LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS THREE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS FOUR LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY DEVELOPMENTS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCIP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY RETAIL SERVICES LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY (HK) TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Robert Peschler
Name: Robert Peschler
Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Paying Agent, Registrar and Transfer Agent

By: /s/ Bridgette Casasnovas
Name: Bridgette Casasnovas
Title: Vice President

By: /s/ Robert Peschler
Name: Robert Peschler
Title: Vice President

EXHIBIT A

[Face of Note]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[*Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture*]

CUSIP:
ISIN:
COMMON CODE:

5.000% Senior Notes due 2029

No.___ _____

STUDIO CITY FINANCE LIMITED

Promises to pay to Cede & Co. or its registered assigns, the principal sum of _____ [*NUMBER IN WORDS*] on January 15, 2029.

Interest Payment Dates: January 15 and July 15

Record Dates: December 31 and June 30

Dated: _____, 20__

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by the duly authorized officers referred to below.

Dated: _____, 20__

STUDIO CITY FINANCE LIMITED, as Company

By: _____
Name:
Title:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, 20__

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name:
Title:

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST*. Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands (the "*Company*"), promises to pay interest on the principal amount of this Note at 5.000% per annum from January 14, 2021 until maturity. The Company will pay interest and Additional Amounts, if any, semi-annually in arrears on January 15 and July 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided that* if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be July 15, 2021. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) *METHOD OF PAYMENT*. The Company will pay interest on the Notes (except defaulted interest) and Additional Amounts, if any, to the Persons who are registered Holders of Notes at the close of business on December 31 or June 30 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, and Additional Amounts, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Additional Amounts, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided that* payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Additional Amounts, if any, on, all Global Notes and all other Notes, the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent, and shall so notify the Trustee and the Paying Agent thereof. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) *PAYING AGENT AND REGISTRAR*. Initially, Deutsche Bank Trust Company Americas will act as Paying Agent, Registrar and Transfer Agent. The Company may change any Paying Agent, Transfer Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act as Paying Agent and Registrar.

(4) *INDENTURE*. The Company issued the Notes under an Indenture dated as of January 14, 2021 (the "*Indenture*") among the Company, each Subsidiary Guarantor, the Trustee, the Paying Agent, the Registrar and other persons from time to time party thereto. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

(5) *OPTIONAL REDEMPTION.*

(a) On or after January 15, 2024, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after January 15, 2024	102.500%
Twelve-month period on or after January 15, 2025	101.250%
On or after January 15, 2026	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph (5), at any time prior to January 15, 2024, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes at a redemption price equal to 105.000% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that* at least 65% in aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption and that such redemption occurs within 45 days of the date of the closing of such Equity Offering.

(c) At any time prior to January 15, 2024, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

(d) Any redemption pursuant to subparagraphs (a), (b) and (c) of this Paragraph (5) may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

(e) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(f) The Notes may also be redeemed in the circumstances described in Sections 3.10 and 3.11 of the Indenture.

(6) *MANDATORY REDEMPTION.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) *REPURCHASE AT THE OPTION OF HOLDER.* The Notes may be subject to a Change of Control Offer, a Special Put Option or an Asset Sale Offer, as further described in Sections 3.09, 4.10, 4.15 and 4.21 of the Indenture.

(8) *NOTICE OF REDEMPTION*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes in denominations larger than US$200,000 may be redeemed in part but only in integral multiples of US$1,000 provided that the unredeemed part has a minimum denomination of US$200,000, unless all of the Notes held by a Holder are to be redeemed.

(9) *DENOMINATIONS, TRANSFER, EXCHANGE*. The Notes are in registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar, the Transfer Agent and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) *PERSONS DEEMED OWNERS*. The registered Holder may be treated as its owner for all purposes.

(11) *AMENDMENT, SUPPLEMENT AND WAIVER*. The Indenture, the Notes or the Note Guarantees may be amended as set forth in the Indenture.

(12) DEFAULTS AND REMEDIES. The events listed in Section 6.01 of the Indenture shall constitute "*Events of Default*" for the purpose of this Note.

(13) *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator or stockholder of the Company, as such, will not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(15) *AUTHENTICATION*. This Note will not be valid until authenticated by the manual or electronic signature of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW.*THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE AND THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Studio City Finance Limited
Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands
Attention: Company Secretary

With a copy to:
Studio City (HK) Limited
36th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10, Section 4.15 or Section 4.21 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.15 ☐ Section 4.21

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10, Section 4.15 or Section 4.21 of the Indenture, state the amount you elect to have purchased:

US$_____

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[*Company address block*]

Transfer Unit – Operations
Deutsche Bank Trust Company Americas
c/o DB Services Americas, Inc.
5022 Gate Parkway, Suite 200
Jacksonville, FL 32256
Attn: Transfer Department

Re: 5.000% Senior Notes due 2029 of Studio City Finance Limited

Reference is hereby made to the Indenture, dated as of January 14, 2021 (the "*Indenture*"), among Studio City Finance Limited, as issuer (the "*Company*"), each Subsidiary Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of US$_____ in such Note[s] or interests (the "*Transfer*"), to _____ (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S.** The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

4. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.**

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____), or

(iii) ☐ Unrestricted Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[*Company address block*]

Transfer Unit – Operations
Deutsche Bank Trust Company Americas
c/o DB Services Americas, Inc.
5022 Gate Parkway, Suite 200
Jacksonville, FL 32256
Attn: Transfer Department

Re: 5.000% Senior Notes due 2029 of Studio City Finance Limited

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of January 14, 2021 (the "*Indenture*"), among Studio City Finance Limited, as issuer (the "*Company*"), each Subsidiary Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of US$_____ in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note**. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] ☐ 144A Global Note, ☐ Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*") dated as of _____, among [name of New Subsidiary Guarantor[s]] (the "*New Subsidiary Guarantor*"), Studio City Finance Limited, a BVI business company with limited liability incorporated under the laws of British Virgin Islands (the "*Company*") and Deutsche Bank Trust Company Americas, as Trustee (in such role, the "*Trustee*").

WITNESSETH:

WHEREAS the Company, the Trustee and each of the parties described above are parties to an Indenture, dated as of January 14, 2021, as amended (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of the Company's 5.000% Senior Notes due 2029;

WHEREAS, pursuant to Section 9.03 of the Indenture, each New Subsidiary Guarantor is required to execute a supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Subsidiary Guarantor, the Company, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. Pursuant to, and subject to the provisions of, Article 11 of the Indenture, [each][the] New Subsidiary Guarantor (which term includes each other New Subsidiary Guarantor that hereinafter guarantees the Notes pursuant to the terms of the Indenture) hereby unconditionally and irrevocably guarantees, jointly and severally with each other New Subsidiary Guarantor and all Subsidiary Guarantors, to each Holder and to the Trustee and their successors and assigns to the extent set forth in the Indenture and subject to the provisions thereof (a) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under the Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest, premium, if any, on, the Notes and all other monetary obligations of the Company under the Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under the Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). [Each][The] New Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such New Subsidiary Guarantor and that such New Subsidiary Guarantor[s] will remain bound under Article 11 of the Indenture, notwithstanding any extension or renewal of any Guaranteed Obligation.

The Guaranteed Obligations of [each][the] New Subsidiary Guarantor to the Holders of Notes and to the Trustee pursuant to the Indenture as supplemented hereby, are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee.

[*Relevant limitations imposed by local law analogous to Section 11.02 of the Indenture to be inserted, if and as applicable*].

3. Ratification of Indenture: Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; *provided*, *however*, that [the][each] New Subsidiary Guarantor and each Subsidiary Guarantor shall be released from all its obligations with respect to this Guarantee in accordance with the terms of the Indenture, including Section 11.08 of the Indenture and upon any defeasance of the Notes in accordance with Article 8 of the Indenture.

4. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. The recitals of fact contained herein shall be treated as statements of the other parties hereto and not the Trustee.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NAME OF NEW SUBSIDIARY GUARANTOR],
as New Subsidiary Guarantor,

By: _____
Name:
Title:

STUDIO CITY FINANCE LIMITED, as Company

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit 2.36

Execution Version

WHITE & CASE

Dated 15 March 2021

Amendment and Restatement Agreement

in respect of the HKD10,855,880,000 Senior Secured Term Loan and Revolving Facilities Agreement originally dated 28 January 2013 (as amended and restated from time to time)

between

Studio City Investments Limited
as Parent

Studio City Company Limited
as Borrower

Bank of China Limited, Macau Branch
as Agent

Industrial and Commercial Bank of China (Macau) Limited
as Common Security Agent

and others

White & Case
9th Floor Central Tower
28 Queen's Road Central
Hong Kong

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This Amendment and Restatement Agreement is dated 15 March 2021 (this "**Agreement**") and made

Between:

(1) **Studio City Investments Limited**, a BVI business company incorporated with limited liability under the laws of the British Virgin Islands (registered number 1673083), whose registered office is at Jayla Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (the "**Parent**");

(2) **Studio City Company Limited**, a BVI business company incorporated with limited liability under the laws of the British Virgin Islands (registered number 1673603), whose registered office is at Jayla Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (the "**Borrower**");

(3) **The Subsidiaries of the Borrower** listed on the signing pages as Guarantors (together with the Parent and the Borrower, the "**Obligors**");

(4) **Industrial and Commercial Bank of China (Macau) Limited**, incorporated with limited liability under the laws of the Macau SAR in its capacity as common security agent and trustee for the Secured Parties (the "**Common Security Agent**");

(5) **Industrial and Commercial Bank of China (Macau) Limited**, incorporated with limited liability under the laws of the Macau SAR in its capacity as POA agent for the Common Security Agent under the Facilities Agreement (the "**POA Agent**"); and

(6) **Bank of China Limited, Macau Branch**, incorporated with limited liability under the laws of the People's Republic of China in its capacity as facility agent of the other Finance Parties under the Facilities Agreement (the "**Agent**").

Whereas:

(A) Certain of the parties hereto (among others) have entered into a HKD 10,855,880,000 Senior Secured Term Loan and Revolving Facilities Agreement originally dated 28 January 2013 (as amended and restated by an amendment and restatement agreement dated 23 November 2016 and as further amended and restated from time to time) (the "**Facilities Agreement**").

(B) This Agreement is supplemental to the Facilities Agreement.

(C) The Parent and the Borrower have requested that the Facilities Agreement be amended and restated as contemplated by this Agreement and the Agent consents to the making of those amendments, subject to the terms and conditions of this Agreement.

(D) The Parties wish to enter into this Agreement to record their agreements in relation to the above.

It is agreed as follows:

1. Interpretation

1.1 Definitions

In this Agreement:

"**Amended and Restated Facilities Agreement**" means the Facilities Agreement, as amended and restated pursuant to the terms and conditions of this Agreement (as on the Effective Date, in the form set out in Schedule 1 (*Amended and Restated Facilities Agreement*)).

"**Amendment Transaction Documents**" means:

(a) this Agreement; and

(b) each Confirmatory Security Document.

"**Confirmatory Security Documents**" means each agreement, deed, acknowledgement, confirmation, amendment or other instrument listed in Schedule 3 (*Confirmatory Security Documents*).

"**Credit Facility Lenders**" has the meaning given to that term in the Intercreditor Agreement.

"**Creditor Representative**" has the meaning given to that term in the Intercreditor Agreement.

"**Effective Date**" means the later of:

(a) the date of this Agreement; and

(b) the date on which the Agent confirms in writing to the Borrower that it has received all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*), and that each is in form and substance satisfactory to it.

"**Intercreditor Agent**" means DB Trustees (Hong Kong) Limited.

"**Intercreditor Agreement**" means the intercreditor agreement dated 1 December 2016 (30 November 2016, New York time) and entered into between (among others) the Parent, the Borrower, Bank of China Limited, Macau Branch as credit facility agent for the Finance Parties under the Facilities Agreement and as credit facility lender under the Facilities Agreement, the Intercreditor Agent as coordinating intercreditor agent for the Secured Parties and the Common Security Agent.

"**Melco Resorts Macau**" means Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited and previously as Melco Crown Gaming (Macau) Limited and Melco PBL Gaming (Macau) Limited), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry under number 24325 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**Required Pari Passu Creditors**" has the meaning given to that term in the Intercreditor Agreement.

"**SCH5**" means Studio City Holdings Five Limited, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1789892), whose registered office is at Jayla Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

"**SCHK2**" means Studio City (HK) Two Limited (新濠影匯(香港)第二有限公司), a limited liability company incorporated in Hong Kong with its registered office at 36/F, The Centrium, 60 Wyndham Street, Central and registration number 2720234.

"**SCHK2 Accession Letter**" means the accession letter dated 30 July 2018 and entered into between SCHK2, the Borrower, the Agent, the Intercreditor Agent and the Common Security Agent.

1.2 Construction

(a) The principles of construction and rules of interpretation set out in the Facilities Agreement (including but not limited to clause 1.2 (*Construction*) of the Facilities Agreement) shall have effect as if set out in this Agreement.

(b) Unless a contrary indication appears, a term defined in or by reference in the Facilities Agreement has the same meaning in this Agreement. Words and expressions defined in this Agreement by reference to the Amended and Restated Facilities Agreement shall (at all times prior to the Effective Date) have the meaning attributed to them in the form of the Amended and Restated Facilities Agreement set out in Schedule 1 (*Amended and Restated Facilities Agreement*).

(c) In this Agreement any reference to a "Clause", a "Schedule" or a "Party" is, unless the context otherwise requires, a reference to a Clause, a Schedule or a Party to this Agreement.

1.3 Designation

The Borrower and the Agent designate this Agreement as a Finance Document by execution of this Agreement for the purposes of the definition of "Finance Document" in the Facilities Agreement.

2. Amendment to the Facilities Agreement

2.1 Amendment to the Facilities Agreement

(a) Subject to the terms and conditions of this Agreement and pursuant to the Facilities Agreement, each Party consents to the amendments to the Facilities Agreement as contemplated by this Agreement.

(b) Each Obligor and the Agent (on behalf of itself and on behalf of each Finance Party pursuant to paragraph (b) of clause 37.2 (*Required consents*) of the Facilities Agreement) agree, in accordance with clause 37 (*Amendments and waivers*) of the Facilities Agreement that with immediate and automatic effect from the Effective Date, the Facilities Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 1 (*Amended and Restated Facilities Agreement*) and all references in the Amended and Restated Facilities Agreement to "this Agreement" shall include this Agreement.

2.2 Consent of the Required Pari Passu Creditors

Pursuant to paragraph (a) of clause 3.8 (*Amendments and waivers: Credit Facility Agreement*) of the Intercreditor Agreement, the Required Pari Passu Creditors (which as at the date of this Agreement comprises of the Agent (in its role as Creditor Representative acting on behalf of the Credit Facility Lenders)) hereby consent to the amendments to the Facilities Agreement as contemplated by this Agreement.

2.3 Administrative details

The address, fax number and attention details of each Party for the purposes of clause 33.2 (*Addresses*) of the Amended and Restated Facilities Agreement are (a) those identified with its name on the signing pages to the Intercreditor Agreement and (b) in the case of SCHK2 only, those set out in paragraph 3 of the SCHK2 Accession Letter.

3. Representations

3.1 Representations

Each Obligor makes the representations and warranties set out in this Clause 3.1 to each Finance Party (by reference to the facts and circumstances then existing) on the date of this Agreement.

(a) Status

(i) Each Obligor is a limited liability corporation or company duly incorporated or organised, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organisation, as the case may be.

(ii) Each Obligor has the power to own its assets and carry on its business as it is being conducted.

(iii) Each Obligor is acting as principal for its own account and not as agent or trustee in any capacity on behalf of any person in relation to this Agreement and each Confirmatory Security Document.

(b) Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by each Obligor in this Agreement and each Confirmatory Security Document are legal, valid, binding and enforceable obligations.

(c) Non-conflict with other obligations

The entry into and performance by each Obligor of, and the transactions contemplated by, this Agreement and each Confirmatory Security Document do not and will not conflict with:

(i) any law or regulation applicable to such Obligor;

(ii) its Constitutional Documents; or

(iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument, except where a Material Adverse Effect does not or would not be reasonably expected to occur).

(d) Power and authority

Each Obligor has the power to enter into, perform and deliver, and has taken all necessary corporate action to authorise its entry into, performance and delivery of, this Agreement and each Confirmatory Security Document to which it is or will be a party and the transactions contemplated therein.

(e) Validity and admissibility in evidence

(i) All Authorisations required:

(A) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations under this Agreement and each Confirmatory Security Document to which it is or will be a party; and

(B) to make this Agreement and each Confirmatory Security Document to which it is or will be a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

(ii) All Authorisations necessary for it to carry out its business, where failure of obtaining such Authorisations has or would reasonably be expected to have a Material Adverse Effect, have been obtained or effected and are in full force and effect.

(f) Governing law and enforcement

Subject to the Legal Reservations:

(i) the choice of English law as the governing law of this Agreement and, in the case of each Confirmatory Security Document, English law, Hong Kong law or Macau SAR law (as the case may be) will be recognised and enforced in each Obligor's Relevant Jurisdiction; and

(ii) any judgment obtained in relation to this Agreement or any Confirmatory Security Document in England, the Hong Kong SAR or the Macau SAR (as the case may be) will be recognised and enforced in its Relevant Jurisdictions.

(g) No filing or stamp taxes

Subject to the Legal Reservations, under the laws of each Obligor's Relevant Jurisdictions it is not necessary that this Agreement or any Confirmatory Security Document be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Agreement or any Confirmatory Security Document or the transactions contemplated therein (save for any stamp, registration, notarial or similar Tax which is referred to in any legal opinion of legal counsel in the Macau SAR delivered to the Agent under this Agreement), which will be made or paid promptly after the date of this Agreement).

(h) Deduction of Tax

No Obligor is required under the laws of its Relevant Jurisdiction or at its address specified in the Facilities Agreement or the Amended and Restated Facilities Agreement to make any deduction for or on account of Tax from any payment it may make under this Agreement or any Confirmatory Security Document.

(i) Group Structure Chart

As at the date of this Agreement the Group Structure Chart delivered to the Agent pursuant to this Agreement is true, complete and accurate and shows each person that is a Subsidiary of an Obligor.

3.2 Repetition

The representations and warranties set out in clause 21 (*Representations*) of the Amended and Restated Facilities Agreement are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of this Agreement and on the Effective Date and, in each case, as if any reference therein to any Finance Document in respect of which any amendment, acknowledgement, confirmation, consolidation, novation, restatement, replacement or supplement is expressed to be made by any Amendment Transaction Document included, to the extent relevant, such Amendment Transaction Document and the Finance Document as so amended, acknowledged, confirmed, consolidated, novated, restated, replaced or supplemented.

4. Continuity and further assurance

4.1 Continuing obligations

The Obligors agree and acknowledge that the provisions of the Facilities Agreement (including, without limitation, the guarantees, undertakings and indemnities provided under clause 20 (*Guarantee and indemnity*) thereof) and the other Finance Documents shall, save as amended by this Agreement, continue in full force and effect and extend to the liabilities and obligations of the Borrower and each of the Obligors under the Amended and Restated Facilities Agreement and the other Finance Documents (as amended from time to time), including as varied, amended, supplemented or extended by this Agreement and apply equally to the obligations of the Borrower under Clause 5 (*Costs and expenses*) as if set out in full in this Agreement. In particular, nothing in this Agreement shall affect the rights of the Secured Parties in respect of the occurrence of any Default which is continuing or which arises on or after the date of this Agreement (other than any Default which has occurred or may occur as a result of the entry into of this Agreement or the entry into, and performance of, the transactions contemplated by any of the foregoing).

4.2 Further assurance

Each Obligor shall, upon the written request of the Agent and at its own expense, do all such acts and things reasonably necessary to give effect to the amendments effected or to be effected pursuant to this Agreement.

5. Costs and expenses

(a) Notwithstanding clause 19 (*Costs and expenses*) of the Facilities Agreement, the Borrower shall, within five (5) Business Days of demand, pay (or shall procure that another member of the Group will pay) to the Agent all costs and expenses (together with any Indirect Tax) including without limitation (but subject to any agreed caps) the fees and expenses of the Agent's legal advisers reasonably incurred in connection with the negotiation, preparation, execution and performance of this Agreement (and the documents listed in Schedule 2 (*Conditions Precedent*)) and the transactions contemplated in this Agreement.

(b) The Borrower shall pay (or shall procure that another member of the Group will pay) all stamp, registration and other taxes and notarisation expenses to which this Agreement (and the documents listed in Schedule 2 (*Conditions Precedent*) is or may at any time be subject and shall from time to time within, five (5) Business Days of demand of the Agent, indemnify the Agent, the Common Security Agent and the Lenders against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such amounts.

6. Enforcement

6.1 Jurisdiction of English courts

(a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 6.1 is for the benefit of the Finance Parties and Secured Parties (in each case that are party to this Agreement), only and no other Party. As a result, no Finance Party or Secured Party that is party to this Agreement shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties party to this Agreement may take concurrent proceedings in any number of jurisdictions.

6.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor:

(i) irrevocably appoints Law Debenture Corporate Services Limited as its agent for service of process in relation to any proceedings before the English Courts in connection with any Finance Document governed by English law; and

(ii) agrees that failure by an agent for service of process to notify the Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent of service of process, the Parent (on behalf of all the Obligors) must immediately (and in any event within three (3) Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

6.3 Waiver of Jury Trial

EACH OF THE PARTIES TO THIS AGREEMENT AGREES TO WAIVE IRREVOCABLY ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE DOCUMENTS REFERRED TO IN THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN THIS AGREEMENT. This waiver is intended to apply to all Disputes. Each Party acknowledges that (a) this waiver is a material inducement to enter into this Agreement, (b) it has already relied on this waiver in entering into this Agreement and (c) it will continue to rely on this waiver in future dealings. Each Party represents that it has reviewed this waiver with its legal advisers and that it knowingly and voluntarily waives its jury trial fights after consultation with its legal advisers. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

7. Miscellaneous

7.1 Incorporation of terms

The provisions of clauses 1.3 (*Third party rights*), 33 (*Notices*), 35 (*Partial invalidity*) and 36 (*Remedies and waivers*) of the Facilities Agreement and, at and from the Effective Date, the corresponding clauses in the Amended and Restated Facilities Agreement shall be deemed incorporated into this Agreement as if set out in full herein and as if references in those clauses to "this Agreement" and "a Finance Document" are references to this Agreement and cross references to specified clauses thereof are references to the equivalent clauses set out or incorporated herein.

8. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

Amended and Restated Facilities Agreement

WHITE & CASE

Credit Facilities Agreement

originally dated 28 January 2013
(as amended and amended and restated from time to time)
and as further amended and restated pursuant to
an amendment and restatement agreement dated 23 November 2016 and
an amendment and restatement agreement dated 15 March 2021

between

Studio City Investments Limited
as Parent

Studio City Company Limited
as Borrower

Bank of China Limited, Macau Branch
(as the immediate replacement of Deutsche Bank AG, Hong Kong Branch)
as Agent

Bank of China Limited, Macau Branch
as Original Lender

Industrial and Commercial Bank of China (Macau) Limited
as Common Security Agent

and others

White & Case
9th Floor Central Tower
28 Queen's Road Central
Hong Kong

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This Agreement is originally dated 28 January 2013, was amended and amended and restated from time to time and was further amended and restated on the 2016 Amendment and Restatement Effective Date and the 2021 Amendment Restatement Effective Date, respectively, and is made among:

Between:

(1) **STUDIO CITY INVESTMENTS LIMITED**, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673083), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Parent**");

(2) **STUDIO CITY COMPANY LIMITED**, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673603), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Borrower**");

(3) **THE PERSONS** listed in Part 3 of Schedule 1 **(***Original Parties***)** as guarantors (the **"Original Guarantors")**;

(4) **THE FINANCIAL INSTITUTION** listed in Part 1 and in Part 2 of Schedule 1 (*Original Parties*) as the Original Facility A Lender and the Original Revolving Facility Lender (the "**Original Lender**");

(5) **BANK OF CHINA LIMITED, MACAU BRANCH** (having immediately replaced Deutsche Bank AG, Hong Kong Branch) as facility agent of the other Finance Parties (the "**Agent**");

(6) **INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED** as security agent and trustee for the Secured Parties (the "**Common Security Agent**"); and

(7) **INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED** as agent for the Common Security Agent under the Power of Attorney (the "**POA Agent**").

It is agreed:

SECTION 1
INTERPRETATION

1. Definitions and interpretation

1.1 Definitions

In this Agreement, having regard in particular to paragraphs (k) and (l) of Clause 1.2 (*Construction*):

"**2016 Amendment and Restatement Agreement**" means the amendment and restatement agreement dated 23 November 2016 between, among others, the Borrower, the Original Guarantors, the Agent and the Common Security Agent (as Security Agent, as it was then known).

"**2016 Amendment and Restatement Effective Date**" means the "Effective Date" as defined in the 2016 Amendment and Restatement Agreement.

"**2021 Amendment and Restatement Agreement**" means the amendment and restatement agreement dated 15 March 2021 between, among others, the Borrower, the Original Guarantors, the Agent and the Common Security Agent.

"**2021 Amendment and Restatement Effective Date**" means the "Effective Date" as defined in the 2021 Amendment and Restatement Agreement.

"**Acceleration Event**" means an Event of Default in respect of which the Agent has taken any action pursuant to paragraphs (b) or (c) of Clause 24.19 (*Acceleration*) in respect of the full principal amount of each of the Utilisation(s) then outstanding in respect of the Revolving Facility.

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's or Fitch or A3 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency;

(b) each of Bank of China Limited, Macau Branch, Banco Nacional Ultramarino, S.A., China Construction Bank (Macau) Corporation Limited, Banco Comercial Português, S.A., Macau Branch, Banco Comercial de Macau, S.A., Tai Fung Bank Limited, Wing Lung Bank Limited, Macau Branch, The Bank of East Asia Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, First Commercial Bank, Macau, Ta Chong Bank;

(c) any Finance Party or an Affiliate of any Finance Party; or

(d) any other bank or financial institution approved by the Agent.

"**Accession Letter**" means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

"**Account**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Additional Guarantor**" means a company which becomes a Guarantor in accordance with Clause 27 (*Changes to the Obligors*).

"**Additional High Yield Note Documents**" means any indenture recording Additional High Yield Notes and each other document or instrument which relates to any Additional High Yield Notes or, as the case may be, Additional High Yield Note Refinancing Indebtedness.

"**Additional High Yield Note Refinancing**" has the meaning given to that term in the Intercreditor Agreement.

"**Additional High Yield Note Refinancing Indebtedness**" has the meaning given to that term in the Intercreditor Agreement.

"**Additional High Yield Notes**" has the meaning given to that term in the Intercreditor Agreement.

"**Affiliate**" means, in relation to any person, any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person. For purposes of this definition, "**control**" means, in relation to a person, the power, directly or indirectly, to (a) vote 20 per cent. or more of the shares or other securities having ordinary voting power for the election of the board of directors (or persons performing similar functions) of such person or (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

"**Agent**" means the Agent, *provided* that for the purpose of any Continuing Document (only) the reserved meaning (if any) given to this term in connection with that Continuing Document pursuant to paragraph (l) of Clause 1.2 (*Construction*) and the Intercreditor Agreement shall apply.

"**Agent's Spot Rate of Exchange**" means the Agent's spot rate of exchange for the purchase of one currency with HK dollars in the Hong Kong foreign exchange market at or about 11:00 a.m. on a particular day.

"**Amended Land Concession**" means the land concession of a plot of land with an area of 130,789 sq. meters located in the reclaimed land zone between Taipa and Coloane Island, designated as Lotes G300, G310 and G400 registered with the Macau Real Estate Registry under no. 23059, granted by way of lease by the Macau SAR to Propco pursuant to Dispatch no. 100/2001 of the Secretary for Transport and Public Works dated 9 October 2001 and published in the Macau Official Gazette no. 42, II Series on 17 October 2001, as amended in accordance with Dispatch no. 31/2012 of the Secretary for Public Works dated 19 July 2012 and published in the Macau Official Gazette No. 30. II Series on 25 July 2012, as further amended in accordance with Dispatch no. 92/2015 of the Secretary for Public Works dated 10 September 2015 and published in the Macau Official Gazette no. 38, II Series on 23 September 2015, and as may be further amended and supplemented from time to time).

"**Ancillary Commencement Date**" means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for the Revolving Facility.

"**Ancillary Commitment**" means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised as such under Clause 6 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Credit Facility.

"**Ancillary Document**" means each document relating to or evidencing the terms of an Ancillary Facility.

"**Ancillary Facility**" means any ancillary facility made available by an Ancillary Lender in accordance with Clause 6 (*Ancillary Facilities*).

"**Ancillary Lender**" means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 6 (*Ancillary Facilities*).

"**Ancillary Outstandings**" means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the equivalents (as calculated by that Ancillary Lender) in the Base Currency of the following amounts outstanding under that Ancillary Facility:

(a) the principal amount under each overdraft facility and on-demand short term loan facility (net of any Available Credit Balance);

(b) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and

(c) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

"**Anti-Terrorism Law**" means each of:

(a) the Executive Order;

(b) the USA Patriot Act;

(c) the Money Laundering Control Act of 1986, Public Law 99-570 and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency;

(d) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq, the Trading with the Enemy Act, 50 U.S.C. App. §§ 1 et seq, any executive order or regulation promulgated thereunder and administered by OFAC;

(e) the U.S. Foreign Corrupt Practices Act of 1977;

(f) the Iran Sanctions Act of 1996 and the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010; and

(g) any similar sanctions, restrictions or embargoes enacted or imposed by Australian Department of Foreign Affairs and Trade, Reserve Bank of Australia, the United Nations, the European Union, the State Secretariat for Economic Affairs of Switzerland, OFAC, HM Treasury of the United Kingdom, the Hong Kong Monetary Authority, the Monetary Authority of Singapore, the Macau Monetary Authority or any other body notified in writing by the Agent (acting on behalf of any Lender) to the Borrower from time to time.

"**Assignment Agreement and Lender Accession Undertaking**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement and Lender Accession Undertaking*) or any other form agreed between the relevant assignor and assignee.

"**Auditors**" means (a) any one of PricewaterhouseCoopers, Ernst & Young, KPMG and Deloitte & Touche, (b) any Affiliate of any auditor referred to in (a) or any entity resulting from amalgamation of any auditor referred to in (a) or (c) any firm of independent public accountants with at established national repute, in each case that has the necessary skills and experience to audit a group of companies such as the Group.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means, in relation to the Revolving Facility, the period from and including 1 January 2017 up to and including the date falling one Month prior to the Final Repayment Date for the Revolving Facility. The Availability Period in respect of the commitments originally drawn on under this Agreement to fund the advance establishing the Facility A Loan concluded prior to the 2016 Amendment and Restatement Effective Date.

"**Available Commitment**" means, in relation to the Revolving Facility, a Lender's Commitment under that Facility minus:

(a) the amount of its participation in any outstanding Utilisations under that Facility and the aggregate amount of its (and its Affiliate's) Ancillary Commitments; and

(b) in relation to any proposed Utilisation, the amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date and the amount of its (and its Affiliate's) Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Utilisation under the Revolving Facility, that Lender's participation in any Revolving Facility Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date and that Lender's (and its Affiliate's) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date shall not be deducted from a Lender's Commitment under that Facility.

"**Available Credit Balance**" means, in relation to an Ancillary Facility, credit balances on any account of the Borrower with the Ancillary Lender making available that Ancillary Facility to the extent that those credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by the Borrower.

"**Available Facility**" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility. The Available Facility in respect of Facility A is nil.

"**Base Currency**" means Hong Kong dollars.

"**Bondco**" has the meaning given to that term in the Intercreditor Agreement.

"**Bondco Loan**" has the meaning given to that term in the Intercreditor Agreement.

"**Bondco Loan Agreement**" has the meaning given to that term in the Intercreditor Agreement.

"**Break Costs**" means the amount (if any) by which:

(a) the interest excluding the Margin which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in the Macau SAR, the Hong Kong SAR and London.

"**Cancellation Notice**" has the meaning given to that term in paragraph (b) of Clause 37.5 (*Replaceable Lenders*).

"**Cash**" means, at any time, cash on hand or cash at bank credited to an account in the name of an Obligor with an Acceptable Bank and in each case to which an Obligor is alone (or with one or more other Obligors) beneficially entitled and for so long as:

(a) that cash is repayable on demand;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;

(c) there is no Security over that cash except Transaction Security falling within paragraphs (8), (9), (10), (14)(i), (14)(ii), (21), (23), (26) and (27) of the definition of "Permitted Liens" in Schedule 11 (*Definitions*); and

(d) subject to (a) above, such cash is freely and immediately available to be applied in repayment or prepayment of the Facilities.

"**Cash Equivalent Investments**" means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, Hong Kong SAR, Japan, the United Kingdom, Australia, any member state of the European Union or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member of the European Economic Area or any Participating Member State;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by Standard & Poor's or F1 or higher by Fitch or P-1 by Moody's, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non credit-enhanced debt obligations, an equivalent rating;

(d) any investment accessible within 30 days in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's or F1 or higher by Fitch or P-1 by Moody's and (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above; or

(e) any other debt security approved by the Majority Lenders,

in each case, to which any member of the Group is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

"**Change of Control**" has the meaning given to that term in Schedule 11 (*Definitions*).

"**Charged Property**" has the meaning given to that term in the Intercreditor Agreement.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means a Revolving Facility Commitment.

"**Competitor**" means any of the following:

(a) Genting Berhad;

(b) Caesars Entertainment Corporation;

(c) any gaming concessionaire or sub-concessionaire in the Macau SAR (other than Melco Resorts Macau);

(d) any Subsidiary or Affiliate of any of the above;

(e) any trust, fund or other entity controlled (as defined in the definition of "**Affiliate**" herein) by any of the above; and

(f) any entity which is agreed between the relevant Lender and the Borrower to be a "Competitor" in accordance with the requirements of Clause 25.2 (*Conditions of assignment or transfer*).

"**Completion Support Release Date**" means, for the purpose of any Continuing Document, 30 November 2015.

"**Confidential Information**" means all information relating to the Parent, the Borrower, any Obligor, any Grantor, the Site, the Property, the Services and Right to Use Agreement, the Reimbursement Agreement, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 38 (*Disclosure of information*); or

(ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Borrower and the Agent.

"**Conflicted Lender**" means any Lender (which term, for the purposes of this definition shall include any Affiliate of that Lender) which is or is acting on behalf of (including in its capacity as the grantor of a participation or any other agreement pursuant to which such rights may pass) any of the following:

(a) a Competitor;

(b) any investor or equity holder in a Competitor; or

(c) an advisor to any such person referred to in paragraph (a) or (b) above,

in each case, whether before or after such person becomes a Lender and including where a Lender notifies the Agent that it is such (in a Transfer Certificate, Assignment Agreement and Lender Accession Undertaking or otherwise) and where it has been notified as such to the Agent by the Borrower (acting reasonably and in good faith).

"**Constitutional Documents**" means, collectively, in relation to any person, any certificate of incorporation, memorandum and articles of association, bylaws, shareholders' agreement, certificate of formation, limited liability company agreement, partnership agreement and any other formation or constituent documents applicable to such person.

"**Continuing Documents**" means (i) the Continuing Macau Documents, the Continuing English Share Charges, the Continuing English Powers of Attorney, the Continuing English Debenture and the Continuing Hong Kong Accounts Charges (each as defined in the Intercreditor Agreement) and (ii) the Services and Right to Use Direct Agreement.

"**Contractor**" means the architects, consultants, designers, contractors, suppliers and other persons engaged by any Obligor in connection with the design, engineering, development, construction, installation, maintenance or operation of the Property.

"**Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

"**Debt Service Accrual Account**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Debt Service Reserve Account**" has the meaning, for the purpose of any Continuing Document, given to that term in Schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 24 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination in accordance with the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender (other than a Lender which is a Sponsor Affiliate):

(a) which has failed to make its participation in a Revolving Facility Loan available or has notified the Agent that it will not make its participation in a Revolving Facility Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three (3) Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Common Security Agent.

"**Direct Agreement**" has the meaning, for the purpose of any Continuing Document, given to that term in Schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Enforcement Notice**" has the meaning given to that term in the Intercreditor Agreement.

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"**Environmental Law**" means any applicable law or regulation which relates to:

(a) the pollution or protection of the environment;

(b) harm to or the protection of human health;

(c) the conditions of the workplace; or

(d) any emission or substance capable of causing harm to any living organism or the environment.

"**Environmental Permits**" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

"**Equity**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Event of Default**" means any event or circumstance specified as such in Clause 24 (*Events of Default*), *provided* that for the purpose of any Continuing Document (only) the reserved meaning (if any) given to this term in connection with that Continuing Document pursuant to paragraphs (k) and (l) of Clause 1.2 (*Construction*) and the Intercreditor Agreement shall apply.

"**Excess Cashflow**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Executive Order**" means Executive Order No. 13224 of 23 September 2001—Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism.

"**Facility**" means each of Facility A and the Revolving Facility, *provided* that for the purpose of any Continuing Document (only) the reserved meaning (if any) given to this term (or, correspondingly, "**Facilities**") in connection with that Continuing Document pursuant to paragraphs (k) and (l) of Clause 1.2 (*Construction*) and the Intercreditor Agreement shall apply.

"**Facility A**" means the term loan facility made available under this Agreement as described in paragraph (a)(i) of Clause 2.1 (*The Facilities*).

"**Facility A Cash Collateral**" means the Security in respect of the Facility A Cash Collateral Account referred to in paragraph (c) of the definition of Facility A Cash Collateral Account.

"**Facility A Cash Collateral Account**" means a Hong Kong dollar denominated account:

(a) held in the Macau SAR or the Hong Kong SAR by the Borrower with a Facility A Lender;

(b) identified in a letter between the Borrower and the Agent as the Facility A Cash Collateral Account; and

(c) subject to Security in favour of the Facility A Lenders (whether directly or through the Common Security Agent) in respect of the Liabilities owed by the Obligors in respect of the principal amount outstanding on the Facility A Loan and in form and substance satisfactory to the Facility A Lenders,

as the same may (subject to the terms of the Intercreditor Agreement) be redesignated, substituted or replaced from time to time.

"**Facility A Cash Collateral Minimum Balance**" means HK$1,012,500.

"**Facility A Lender**" means:

(a) the Original Facility A lender identified as such in Part 1 of Schedule 1 (*Original Parties*); and

(b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender under Facility A in accordance with Clause 25 (*Changes to the Lenders*),

which, in each case, has not ceased to be a Party as a Facility A Lender in accordance with the terms of this Agreement.

"**Facility A Loan**" means the loan which is owed by the Borrower to the Facility A Lender in the Base Currency.

"**Facility A Participation**" means:

(a) in relation to the Original Lender, the aggregate amount in HK dollars set opposite its name under the heading "Facility A Participation" in Part 1 of Schedule 1 (*Original Parties*) and the amount of any other Revolving Facility Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in HK dollars of any Facility A Participation transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility Office**" means:

(a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means any letter or letters setting out any of the fees referred to in clause 21.29 (*Common Security Agent's fee*) of the Intercreditor Agreement, clause 22.2 (*POA Agent's fee*) of the Intercreditor Agreement or clause 23.23 (*Intercreditor Agent's fee*) of the Intercreditor Agreement, any letter or letters between the Borrower and an Increase Lender setting out any fee referred to in paragraph (f) of Clause 2.2 (*Increase*) and any other letter or letters between a Finance Party and an Obligor setting out any of the fees referred to in Clause 14 (*Fees*).

"**Final Repayment Date**" means:

(a) in relation to Facility A, 15 January 2028; and

(b) in relation to the Revolving Facility, 15 January 2028, and, in each case, if any such date is not a Business Day, the immediately preceding Business Day.

"**Finance Document**" means:

(a) this Agreement;

(b) any Accession Letter;

(c) any Fee Letter;

(d) any Selection Notice;

(e) the Intercreditor Agreement;

(f) any Transaction Security Document;

(g) any Transfer Certificate or Assignment Agreement and Lender Accession Undertaking;

(h) any Utilisation Request;

(i) the Mandate Documents;

(j) the 2016 Amendment and Restatement Agreement;

(k) the 2021 Amendment and Restatement Agreement;

(l) any Ancillary Document; and

(m) any other document designated as a "Finance Document" by the Agent and the Borrower,

provided that for the purpose of any Continuing Document (only) the reserved meaning (if any) given to this term in connection with that Continuing Document pursuant to paragraphs (k) and (l) of Clause 1.2 (*Construction*) and the Intercreditor Agreement shall apply.

"**Finance Party**" means the Agent, the Common Security Agent, the Intercreditor Agent, the Lenders, any Ancillary Lender and the POA Agent, *provided* that for the purpose of any Continuing Document (only) the reserved meaning (if any) given to this term in connection with that Continuing Document pursuant to paragraphs (k) and (l) of Clause 1.2 (*Construction*) and the Intercreditor Agreement shall apply.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) monies borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the GAAP, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value as at the relevant date on which Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(i) any amount raised by the issue of redeemable shares;

(j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and

(k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"**Financial Model**" means the financial model in the agreed form provided to the Agent in connection with the 2016 Amendment and Restatement Agreement.

"**Financial Quarter**" has the meaning given to that term in Clause 22.3 (*Definitions*).

"**Financial Year**" has the meaning given to that term in Clause 22.3 (*Definitions*).

"**First Utilisation**" means, for the purpose of any Continuing Document, 28 July 2014.

"**Fitch**" means Fitch Ratings Ltd.

"**GAAP**" means the generally accepted accounting principles in the United States of America as in effect from time to time.

"**Gaming Area**" means, for the purpose of any Continuing Document, the gaming area operated by Melco Resorts Macau within the Property under the terms of the Services and Right to Use Agreement.

"**Gaming Subconcession**" means the trilateral agreement dated 8 September 2006 entered into by and between the Macau SAR, Wynn Resorts (Macau), S.A. (as concessionaire for the operation of casino games of chance and other casino games in the Macau SAR, under the terms of a concession contract dated 24 June 2002 between the Macau SAR and Wynn Resorts (Macau), S.A.) and Melco Resorts Macau comprising a set of instruments from which shall flow an integrated web of rights, duties and obligations by and for all and each of the Macau SAR, Wynn Resorts (Macau), S.A. and Melco Resorts Macau (the nominative administrative contract known as the subconcession contract for the operation of casino games of chance and other casino games in the Macau SAR, executed by Wynn Resorts (Macau) Limited and Melco Resorts Macau, to be the most significant instrument thereof), pursuant to the terms of which Melco Resorts Macau is entitled to operate casino games of chance and other casino games in the Macau SAR as an autonomous subconcessionaire in relation to Wynn Resorts (Macau) Limited, and including any supplemental letters or agreements entered into or issued by Macau SAR and any member of Group or Melco Resorts Macau.

"**Golden Share**" means any share in a company or corporation, the memorandum and/or articles of association in respect of which company or corporation designate as such or give the holder of such share any special pre-emptive rights relative to other shareholders.

"**Governmental Authority**" means, as to any person, the government of the Macau SAR, any other national, state, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, in each case having jurisdiction over such person, or any arbitrator with authority to bind such person at law.

"**Grantor**" means:

(a) each of Melco Resorts Macau and SCH5; and

(b) each other person (other than an Obligor) that grants Security under any Transaction Security Document after the 2016 Amendment and Restatement Effective Date.

"**Group**" means the Parent and each of its Subsidiaries from time to time.

"**Group Insured**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Gross Outstandings**" means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft but calculated on the basis that the words "(net of any Available Credit Balance)" in paragraph (a) of the definition of Ancillary Outstandings were deleted.

"**Guarantor**" means an Original Guarantor or an Additional Guarantor.

"**Hedge Counterparty**" has the meaning given to that term in the Intercreditor Agreement.

"**Hedging Agreement**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Hedging Liabilities**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**HIBOR**" means, in relation to any Loan denominated in HK dollars:

(a) the applicable Screen Rate; or

(b) if no Screen Rate is available for HK dollars for the Interest Period of that Loan, the Interpolated Screen Rate; or

(c) if no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the Relevant Interbank Market,

at or about 11:00 a.m. on the Quotation Date for HK dollars for a period comparable to the Interest Period for that Loan, and if any such rate is less than zero, such rate shall be deemed to be zero.

"**High Yield Note Disbursement Agreement**" means, for the purpose of any Continuing Document, the note disbursement and account agreement in respect of funds from time to time standing to the credit of the High Yield Note Proceeds Account dated 26 November 2012 and made between, among others, the Borrower, the Original Bondco and the High Yield Note Trustee.

"**High Yield Note Document**" means each High Yield Note Indenture, each Bondco Loan Agreement and each other document or instrument which relates to any High Yield Notes or, as the case may be, High Yield Note Refinancing Indebtedness.

"**High Yield Note Guarantees**" means the guarantees provided by any Obligor:

(a) to the High Yield Note Trustee in respect of the High Yield Notes issued prior to the original date of this Agreement; or

(b) in respect of any Additional High Yield Note, Additional High Yield Note Refinancing Indebtedness or High Yield Note Refinancing Indebtedness.

"**High Yield Note Indenture**" means the indenture dated 26 November 2012 made between (among others) the Original Bondco and the High Yield Note Trustee or any equivalent High Yield Note Document in respect of any High Yield Note Refinancing Indebtedness issued by way of debt securities (in each case, as amended or supplemented from time to time).

"**High Yield Note Interest Reserve Account**" has the meaning, for the purpose of any Continuing Document, given to the term "Note Interest Reserve Account" in the High Yield Note Disbursement Agreement.

"**High Yield Note Proceeds Account**" has the meaning, for the purpose of any Continuing Document, given to the term "Note Proceeds Account" in the High Yield Note Disbursement Agreement.

"**High Yield Note Refinancing**" means a refinancing of any amount outstanding under or in connection with the High Yield Notes issued prior to the original date of this Agreement or a High Yield Note Refinancing from the proceeds of an issue by a Bondco of high yield notes or other Financial Indebtedness (each, "**High Yield Note Refinancing Indebtedness**") where:

(a) the terms thereof are no less favourable to the Finance Parties than the terms of the High Yield Notes issued prior to the original date of this Agreement (and do not have an adverse effect on the interests of the Finance Parties);

(b) the terms thereof (including, without limitation, the terms of any related guarantees, security or other credit support) are no more onerous to any Obligor (for the avoidance of doubt, an increase in pricing payable by any Obligor when compared to the High Yield Notes shall be more onerous) and do not provide for any redemptions on a date falling prior to the last Termination Date applicable to the Facilities; and

(c) the scope (including the assets subject to security, the persons giving security, guarantees or other credit support and the amount of financial obligations guaranteed, secured or supported by any Obligor) of any security, guarantees or credit support given in connection with such High Yield Notes Refinancing Indebtedness by any Obligor shall be no greater than the security, guarantees and credit support granted (and financial obligations guaranteed, secured or supported by any Obligor) pursuant to the High Yield Note Documents entered into prior to the original date of this Agreement.

"**High Yield Note Trustee**" means DB Trustees (Hong Kong) Limited (or its permitted successor or assign) as trustee for the High Yield Noteholders on the terms set out in the High Yield Note Indenture or its equivalent under any other High Yield Note Document.

"**High Yield Noteholders**" means the holders of the High Yield Notes or High Yield Note Refinancing Indebtedness from time to time issued by way of debt securities.

"**High Yield Notes**" means the US$825,000,000 8.500% senior notes due 2020 issued by the Original Bondco and subject to the terms of the High Yield Note Indenture or any Financial Indebtedness incurred by way of High Yield Note Refinancing.

"**HK$**", "**Hong Kong dollars**" or "**HK dollars**" denotes the lawful currency of the Hong Kong SAR.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**Hong Kong SAR**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Illegal Lender**" means a Lender whom an Obligor is or becomes obliged to repay or prepay pursuant to Clause 8.1 (*Illegality*).

"**Impaired Agent**" means the Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) it otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of "Defaulting Lender"; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three (3) Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Increase Confirmation**" means a confirmation substantially in the form set out in Schedule 9 (*Form of Increase Confirmation*).

"**Increase Lender**" has the meaning given to that term in paragraph (a)(i) of Clause 2.2 (*Increase*).

"**Increased Costs Lender**" means a Lender to whom the Borrower is required to pay Increased Costs under Clause 16 (*Increased Costs*), to make a tax gross-up under Clause 15.2 (*Tax gross-up*) or tax indemnity under Clause 15.3 (*Tax indemnity*).

"**Indirect Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"**Insolvency Event**" means, in relation to a Finance Party, that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Insurance Policy**" means, for the purpose of any Continuing Document, any policy of insurance (other than any public liability, third party liability, workers compensation or legal liability insurance or any other insurances the proceeds of which are payable to employees or officers of any Chargor or any other relevant third party) which any Obligor is required to effect or maintain under the Facilities Agreement and in which the relevant Chargor may from time to time have an interest and which is taken out, placed or effected with an insurer.

"**Intellectual Property**" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

(b) the benefit of all applications and rights to use any such assets referred to in paragraph (a) above,

of each member of the Group.

"**Intercreditor Agreement**" means the intercreditor agreement entered into between, among others, the Parent, the Borrower, the Original Guarantors, the Original Bondco, the Lenders, the Agent and the Common Security Agent on the 2016 Amendment and Restatement Effective Date.

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 12 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 11.3 (*Default interest*).

"**Interpolated Screen Rate**" means, in relation to HIBOR, the rate which results from interpolating on a linear basis (rounded to the same number of decimal places as the two relevant Screen Rates) between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of a Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

as of 11:00 a.m. on the Quotation Date for HK dollars.

"**Intra-Group Lender**" has the meaning given to that term in the Intercreditor Agreement.

"**Intra-Group Liabilities**" has the meaning given to that term in the Intercreditor Agreement.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Legal Opinion**" means any legal opinion delivered to the Agent under or in connection with the conditions precedent referred to in clause 5.1 (*Amendment to the Facilities Agreement*) of the 2016 Amendment and Restatement Agreement, clause 2.1 (*Amendment to the Facilities Agreement*) of the 2021 Amendment and Restatement Agreement or Clause 27 (*Changes to the Obligors*).

"**Legal Requirements**" means all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, agreements and regulations of any Governmental Authority having jurisdiction over the matter in question.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under statutes of limitation;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"**Lender**" means a Facility A Lender or a Revolving Facility Lender, *provided* that for the purpose of any Continuing Document (only) the reserved meaning (if any) given to this term in connection with that Continuing Document pursuant to paragraphs (k) and (l) of Clause 1.2 (*Construction*) and the Intercreditor Agreement shall apply.

"**Liabilities**" means all present and future liabilities and obligations at any time of any Obligor to any Finance Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Obligor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings

"**LMA**" means the Loan Market Association.

"**Loan**" means a Facility A Loan or a Revolving Facility Loan.

"**Macau Obligor**" means any Obligor incorporated in the Macau SAR.

"**Macau SAR**" means the Macau Special Administrative Region of the People's Republic of China.

"**Major Project Documents**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Majority Lenders**" means:

(a) (for the purposes of paragraph (a) of Clause 37.2 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of the Revolving Facility of the condition in Clause 4.1 (*Utilisation conditions precedent*)), a Lender or Lenders whose Revolving Facility Commitments aggregate more than 50 per cent. of the Total Revolving Facility Commitments; and

(b) (in any other case) a Lender or Lenders whose Revolving Facility Commitments and participations in the Facility A Loan aggregate 50 per cent. or more of the sum of the Total Revolving Facility Commitments and the outstanding principal amount of the Facility A Loan.

"**Mandate Documents**" means the commitment letter entered into on 9 November 2016 between the Original Lender and the Borrower.

"**Margin**" means, in relation to any Loan or Unpaid Sum, 4.00 per cent. per annum.

"**Material Adverse Effect**" means any event or circumstance which (after taking into account all relevant circumstances) has a material adverse effect on:

(a) the business, operations, property or financial condition of the Group (taken as a whole); or

(b) the ability of the Obligors (taken as a whole) to perform any of their payment obligations under the Finance Documents; or

(c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of any Transaction Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"**MCO Cotai**" means MCE Cotai Investments Limited, an exempted limited liability company incorporated with limited liability under the laws of the Cayman Islands (with registered number 254216) whose registered address is at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands.

"**Melco Resorts**" means Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited), an exempted limited liability company incorporated with limited liability under the laws of the Cayman Islands (with registered number 143119) with registered address: Walker House, 87 Mary Street, George Town, Grand Cayman, KYI-9005, Cayman Islands.

"**Melco Resorts Macau**" means Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited and previously as Melco Crown Gaming (Macau) Limited and Melco PBL Gaming (Macau) Limited), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry under number 24325 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month and, consistent with the terms of this Agreement, that Interest Period is to be of a duration equal to a whole number of Months, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. "**Monthly**" shall be construed accordingly.

"**Moody's**" means Moody's Investors Service, Inc.

"**Multi-account Overdraft**" means an Ancillary Facility which is an overdraft facility comprising more than one account.

"**New Cotai, LLC**" a limited liability company formed in Delaware, United States of America (with registered number 4114248), c/o New Cotai Holdings, LLC, of Two Greenwich Plaza, Greenwich, Connecticut 06830, United States of America.

"**New Shareholder Injections**" means the cash proceeds received by the Parent in respect of the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Parent or in respect of any Sponsor Group Loan, in each case, after the 2016 Amendment and Restatement Effective Date.

"**New Sponsor**" means any person to whom Silverpoint or Oaktree assigns or transfers all or part of its indirect beneficial interest in the shares or other equity interests of SCIH in accordance with the Shareholders' Agreement.

"**Non-Consenting Lender**" means any Lender which does not and continues not to consent to any decision requiring a waiver or amendment or other consent requested in respect of any of the Facilities, if:

(a) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

(b) the consent, waiver or amendment in question requires the approval of all the Lenders; and

(c) Lenders whose Revolving Facility Commitments aggregate more than 80 per cent. of the Total Revolving Facility Commitments (or, if the Total Revolving Facility Commitments have been reduced to zero, aggregated more than 80 per cent. of the Total Revolving Facility Commitments immediately prior to that reduction) have consented or agreed to such waiver or amendment.

"**Non-Market Lender**" means any Lender whose Revolving Facility Commitment is being included to trigger a Market Disruption Event pursuant to paragraph (ii) of the definition of that term.

"**Non-Responding Lender**" means any Lender that fails to:

(a) accept or reject a request by or on behalf of any of the Obligors for any waiver, amendment or other consent requested in relation to any of the Facilities within 10 Business Days (or, if the Borrower agrees to a longer time period in relation to that request or the Borrower specifies a longer period in that request during which a Lender may respond, on or prior to the expiry of such longer period so agreed or specified by the Borrower) of a written request; or

(b) sign a Transfer Certificate within 10 Business Days of any request pursuant to paragraph (a) of Clause 37.5 (*Replaceable Lenders*).

"**Notes Repurchase**" means any repayment, prepayment, purchase, defeasance, redemption or acquisition or retirement of the principal amount of any component of the Senior Secured Debt by any member of the Group.

"**Notifiable Debt Purchase Transaction**" has the meaning given to that term in paragraph (b) of Clause 26.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*).

"**Oaktree**" means Oaktree Capital Management LLC and any successor to the investment management business thereof.

"**Obligor**" means the Borrower or a Guarantor.

"**Obligors' Agent**" means the Parent, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.4 (*Obligors' Agent*).

"**OFAC**" means the Office of Foreign Assets Control of the US Department of Treasury.

"**Onshore Security Documents**" means any Transaction Security Document governed by or expressed to be governed by the law of the Macau SAR.

"**Original Bondco**" means Studio City Finance Limited, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673307), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

"**Original Financial Statements**" means the audited consolidated financial statements of the Parent for the Financial Year ended 31 December 2015.

"**Pari Passu Debt Creditor**" has the meaning given to that term in the Intercreditor Agreement.

"**Pari Passu Debt Document**" has the meaning given to that term in the Intercreditor Agreement.

"**Pari Passu Debt Liability**" has the meaning given to that term in the Intercreditor Agreement.

"**Party**" means a party to this Agreement.

"**Participation**" means a Debt Purchase Transaction other than a purchase falling within paragraph (a) of the definition thereof.

"**Patacas**" or "**MOP**" denotes the lawful currency of the Macau SAR.

"**Payment**" means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities (or any other liabilities or obligations).

"**Perfection Requirements**" means the making or the procuring of the appropriate registrations, filing, endorsements, notarisation, stamping and notifications of the Transaction Security Documents or the Transaction Security created thereunder.

"**Permits**" means all approvals, licences, consents, permits, Authorisations, registrations and filings, necessary in connection with the execution, delivery, completion, implementation, perfection or performance, admission into evidence or enforcement of the Transaction Documents on the terms thereof and all material approvals, licences, consents, permits, Authorisations, registrations and filings required for the design, development, construction, ownership, maintenance, operation or management of the Property and business of the Group as contemplated under the Transaction Documents.

"**Permitted Distribution**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Permitted Investment**" means the following:

(a) securities issued, or directly and fully guaranteed or insured, by the United States government or any agency or instrumentality of the United States government (as long as the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than nine months from the date of acquisition;

(b) securities issued, or directly and fully guaranteed or insured, by the government of the Hong Kong SAR or any agency or instrumentality of the government of the Hong Kong SAR (as long as the full faith and credit of the Hong Kong SAR is pledged in support of those securities) having maturities of not more than nine months from the date of acquisition;

(c) interest bearing demand or time deposits (which may be represented by certificates of deposit) issued by Acceptable Banks or, if not issued by an Acceptable Bank, secured at all times, in the manner and to the extent provided by law, by collateral security in sub-paragraph (a) or (b) above, of a market value of no less than the amount of monies so invested;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in sub-paragraphs (a), (b) and (c) above entered into with any financial institution meeting the qualifications specified in sub-paragraph (c) above;

(e) commercial paper having a rating of A-2 or P-2 from S&P or Moody's respectively and in each case maturing within nine months after the date of acquisition;

(f) any investment in money market funds which (i) have a credit rating of either A-2 or higher by Standard & Poor's Rating Services or F2 or higher by Fitch or P-2 or higher by Moody's Investor Services Limited, (ii) which invest substantially all their assets in securities of the types described in sub-paragraphs (a) to (e) above and (iii) can be turned into cash on not more than 30 days' notice; and

(g) any other debt security approved by the Majority Lenders

"**Permitted Lien**" has the meaning given to that term in Schedule 11 (*Definitions*).

"**Permitted Transferee**" means, in relation to a Transfer, a bank, financial institution (including a trust), fund, vehicle or other entity which is regularly engaged in, or established for the purposes of making, purchasing or investing in, syndicated loans but excludes a Conflicted Lender.

"**Pledge of Enterprise**" has the meaning, for the purpose of any Continuing Document, given to that term in schedule 5 (*Continuing Documents*) of the Intercreditor Agreement.

"**Power of Attorney**" has the meaning given to that term in the Intercreditor Agreement.

"**Phase I Construction Contract**" means each contract entered into or proposed to be entered into between Propco or any other Obligor and a Contractor in respect of the Property.

"**Phase II Project**" the development of the remainder of the Site not comprising the Property after the 2016 Amendment and Restatement Effective Date.

"**Propco**" means Studio City Developments Limited (formerly known as MSC Desenvolvimentos, Limitada and previously as East Asia - Televisão por Satélite Limitada), a company incorporated under the laws of the Macau SAR, registered with the Mcacau Commercial Registry under number 14311 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**Property**" means the retail, hotel, gaming, entertainment, food and beverage and entertainment studio complex constructed on the Site as of the 2016 Amendment and Restatement Effective Date, known as "Studio City".

"**Property Valuation Report**" means the report by Savills (Macau) Limited dated 17 October 2016 and delivered to the Agent in accordance with the 2016 Amendment and Restatement Agreement.

"**Project**" means the Site.

"**Projections**" has the meaning given to that term in paragraph (a) of Clause 21.13 (*No misleading information*).

"**Quarter Date**" has the meaning given to that term in Clause 22.3 (*Definitions*).

"**Quarterly Financial Statements**" has the meaning given to that term in Clause 22.3 (*Definitions*).

"**Quotation Date**" means, in relation to any period for which an interest rate is to be determined, the first day of that period.

"**Receiver**" means a receiver, receiver and manager, administrative receiver or analogous person in any Relevant Jurisdiction of the whole or any part of the Charged Property.

"**Reference Banks**" means the principal office in the Hong Kong SAR or the Macau SAR of Citibank, N.A., Deutsche Bank AG and Bank of China Limited or such other banks as may be appointed by the Agent in consultation with the Borrower.

"**Reimbursement Agreement**" means the reimbursement agreement dated 15 June 2012 and entered into between SCE and Melco Resorts Macau (as may be amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part, from time to time, including pursuant to the Direct Agreement).

"**Related Fund**", in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or adviser or an Affiliate thereof as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Interbank Market**" means the Hong Kong interbank market.

"**Relevant Jurisdiction**" means, in relation to an Obligor or Grantor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

"**Repayment Instalment**" means, for the purpose of any Continuing Document, any instalment for repayment of the Facility A Loan (which, for the avoidance of doubt, there are none).

"**Repeating Representations**" means each of the representations set out in Clause 21 (*Representations*) other than Clause 21.9 (*No filing or stamp taxes*), Clause 21.10 (*Deduction of Tax*), paragraphs (a) and (b) of Clause 21.13 (*No misleading information*) and paragraphs (b) and (c) of Clause 21.14 (*Financial statements*).

"**Replaceable Lender**" means a Conflicted Lender, a Defaulting Lender, an Increased Costs Lender, an Illegal Lender, a Non-Consenting Lender or a Non-Market Lender but, in each case, shall not include any Lender that is a Sponsor Affiliate.

"**Representative**" means, for the purpose of any Continuing Document, any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Resignation Letter**" means a document substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

"**Restricted Party**" means any person listed:

(a) in the Annex to the Executive Order;

(b) on the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC; or

(c) in any successor list to either of the foregoing.

"**Revolving Facility**" means the revolving loan facility made available pursuant to this Agreement as described in paragraph (a)(b) of Clause 2.1 (*The Facilities*).

"**Revolving Facility Commitment**" means:

(a) in relation to the Original Lender, the aggregate amount in HK dollars set opposite its name under the heading "Revolving Facility Commitment" in Part 2 of Schedule 1 (*Original Parties*) and the amount of any other Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and

(b) in relation to any other Lender, the amount in HK dollars of any Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Revolving Facility Lender**" means:

(a) the Original Revolving Facility Lender identified as such in Part 2 of Schedule 1 (*Original Parties*); and

(b) any bank, financial institution, trust, fund or other entity which has become a Party as a Revolving Facility Lender in accordance with Clause 2.2 (*Increase*) or Clause 25 (*Changes to the Lenders*),

which, in each case, has not ceased to be a Party as a Revolving Facility Lender in accordance with the terms of this Agreement.

"**Revolving Facility Loan**" means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan.

"**Rollover Loan**" means one or more Revolving Facility Loans:

(a) made or to be made on the same day that a maturing Revolving Facility Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Revolving Facility Loan; and

(c) made or to be made to the Borrower for the purpose of refinancing a maturing Revolving Facility Loan.

"**SCE**" means Studio City Entertainment Limited (formerly known as MSC Diversões, Limitada and previously as New Cotai Entertainment (Macau) Limited), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry number 27610 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**SCH5**" means Studio City Holdings Five Limited, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1789892), whose registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

"**SCIH**" means Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of Cayman Islands (company number 343696), whose registered office is at Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

"**Screen Rate**" means, in relation to HIBOR, the Hong Kong interbank offered rate administered by Hong Kong Association of Banks (or any other person which takes over the administration of that rate) for the relevant period displayed on page HKABHIBOR of the Reuters screen (or any replacement Reuters page which displays the rate), or an appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

"**Secured Obligations**" has the meaning given to that term in the Intercreditor Agreement.

"**Secured Obligations Document**" has the meaning given to that term in the Intercreditor Agreement.

"**Secured Parties**" has the meaning given to that term in the Intercreditor Agreement.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agent**" means the Common Security Agent.

"**Selection Notice**" means a notice substantially in the form set out in Part 2 of Schedule 3 (*Requests and notices*) given in accordance with Clause 12 (*Interest Periods*) in relation to the Facility A Loan.

"**Senior Secured Debt**" means any Financial Indebtedness outstanding under any Pari Passu Debt Document.

"**Services and Right to Use Agreement**" means the services and right to use agreement dated 11 May 2007 and originally made between SCE, New Cotai Entertainment, LLC and Melco Resorts Macau as amended, restated and supplemented from time to time, including pursuant to a supplemental agreement dated 15 June 2012 made between SCE, Melco Resorts Macau and New Cotai Entertainment, LLC.

"**Services and Right to Use Agreement Confidential Information**" means any Confidential Information which relates to, which contains or is derived or copied from the Services and Right to Use Agreement and/or the Reimbursement Agreement.

"**Services and Right to Use Direct Agreement**" means the direct agreement dated 26 November 2013 and entered into between, among others, SCE, Melco Resorts Macau and the Common Security Agent in relation to the Services and Right to Use Agreement and the Reimbursement Agreement, as amended or modified from time to time.

"**Shareholders' Agreement**" means the shareholders' agreement dated 27 July 2011 and made between MCO Cotai, New Cotai, LLC and others (as amended from time to time).

"**Silverpoint**" means Silver Point Capital, L.P. and any successor to the investment management business thereof.

"**Site**" means the land described in the Amended Land Concession.

"**Specific Contracts**" means, for the purpose of any Continuing Document, the Hedging Agreements (other than SA Hedging Agreements).

"**Sponsor Affiliate**" means:

(a) in the case of Melco Resorts, Melco Resorts and its Subsidiaries (other than any member of the Group);

(b) in the case of Silverpoint, Silverpoint, each of its Affiliates (other than any member of the Group), any trust of which Silverpoint or any of such Affiliates is a trustee, any partnership of which Silverpoint or any of such Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, Silverpoint or any of such Affiliates, *provided that* any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by Silverpoint or any of such Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate;

(c) in the case of Oaktree, Oaktree, each of its Affiliates (other than any member of the Group), any trust of which Oaktree or any of such Affiliates is a trustee, any partnership of which Oaktree or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, Oaktree or any of such Affiliates, *provided that* any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by Oaktree or any of such Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate; and

(d) in the case of a New Sponsor, the New Sponsor, each of its Affiliates (other than any member of the Group), any trust of which the New Sponsor or any of such Affiliates is a trustee, any partnership of which the New Sponsor or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, the New Sponsor or any of such Affiliates, *provided that* any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by the New Sponsor or any of such Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate.

"**Sponsor Group Loans**" means any Financial Indebtedness owed by the Parent to any Sponsor Group Shareholder pursuant to any document or instrument setting out the terms of any credit facility, loan, notes, indenture or debt security or, as the case may be, any undocumented arrangement or contract (whether by way of book entry or otherwise) establishing the same.

"**Sponsor Group Shareholder**" means any direct or indirect shareholder of the Parent which is a Sponsor Affiliate, a Subsidiary of a Sponsor Affiliate or which would be a Subsidiary of a Sponsor Affiliate were the rights and interests of each Sponsor Affiliate in respect thereof to be combined.

"**Sponsors**" means Melco Resorts, Silverpoint, Oaktree and any New Sponsor and "**Sponsor**" means each of them.

"**Standard & Poor's**" or "**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc..

"**Subordinated Creditor**" means, for the purpose of any Continuing Document, each person that was an original party, or who has acceded, to the Intercreditor Agreement as a Subordinated Creditor or Intra-Group Lender.

"**Subordinated Debt**" means, for the purpose of any Continuing Document, the Financial Indebtedness owed by any Obligor to another Obligor or a Sponsor Group Shareholder that is subordinated in accordance with the terms provided in respect thereof by the Intercreditor Agreement.

"**Subordination Deed**" means, for the purpose of any Continuing Document, the Intercreditor Agreement.

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which (or, in the case of any company or corporation in which SCH5 owns a Golden Share, more than half the issued share capital of which, excluding for these purposes that Golden Share from such issued share capital) is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Term Loan Facility**" means, for the purpose of any Continuing Document, Facility A.

"**Termination Date**" means, in relation to a Facility, the Final Repayment Date of that Facility.

"**Total Commitments**" means the Total Revolving Facility Commitments.

"**Total Facility A Participation**" means the aggregate of the Facility A Participations, being HK$1,000,000 at the 2016 Amendment and Restatement Effective Date.

"**Total Revolving Facility Commitments**" means the aggregate of the Revolving Facility Commitments, being HK$233,000,000 at the 2016 Amendment and Restatement Effective Date.

"**Transaction Documents**" means:

(a) the Finance Documents; and

(b) the Constitutional Documents of each Obligor.

"**Transaction Security**" means the Security or other collateral created, evidenced or expressed to be created or evidenced pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means the Services and Right to Use Direct Agreement and each of the other documents listed as being a Transaction Security Document in schedule 4 (*Transaction Security Documents*) of the Intercreditor Agreement together with any other document entered into by any Obligor or other person creating or expressed to create any Security or other collateral over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents, each as amended, supplemented and/or confirmed from time to time (including, without limitation, the Facility A Cash Collateral).

"**Transfer**" means a novation of rights and obligations, an assignment of rights, an assignment of rights combined with an assumption of certain obligations and release of certain obligations, a participation or sub-participation or a declaration of trust (or equivalent), in each case, in relation to, or any other arrangement under which payments are to be made or may be made by reference to, one or more Finance Documents, the Facilities or the Borrower or any other transfer howsoever described or arranged whereby rights or obligations under the Finance Documents or in relation to the Facilities or the Borrower are transferred from one person to another (and "**transferred**" (and similar expressions) will be construed accordingly).

"**Transfer Certificate**" means an agreement substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

"**Transfer Date**" means, in relation to an assignment or transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Transfer Certificate or Assignment Agreement and Lender Accession Undertaking; and

(b) the date on which the Agent executes the relevant Transfer Certificate or Assignment Agreement and Lender Accession Undertaking.

"**Treasury Transaction**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**US**" and "**United States**" means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

"**USA Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

"**US Bankruptcy Code**" means Title 11 of The United States Code (entitled "Bankruptcy"), as amended from time to time and as now or hereafter in effect, or any successor thereto.

"**US dollars**" or "**US$**" denotes the lawful currency of the United States.

"**US Person**" means any person whose jurisdiction of organization is a state of the United States or the District of Columbia.

"**Utilisation**" means a Loan.

"**Utilisation Date**" means the date on which a Revolving Facility Loan is made.

"**Utilisation Request**" means a notice substantially in the form set out in Part 1 of Schedule 3 (*Requests and notices*).

"**Voting Participation**" means a Participation which involves a transfer of any voting rights, directly or indirectly, under, or in relation to, the Finance Documents (including arising as a result of being able to direct the way that another person exercises its voting rights).

1.2 Construction

(a) Unless a contrary indication appears a reference in this Agreement to:

(i) the "**Agent**", the "**Common Security Agent**", any "**Finance Party**", the "**Intercreditor Agent**", any "**Lender**", any "**Obligor**", any "**Party**", the "**POA Agent**", any "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Common Security Agent, any person for the time being appointed as Common Security Agent or Common Security Agents in accordance with the Finance Documents;

(ii) a document in "**agreed form**" is a document which is in a form previously agreed in writing by or on behalf of the Borrower and the Agent or, if not so agreed, is in the form specified by the Agent;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, however fundamentally);

(v) "**guarantee**" means (other than in Clause 20 (*Guarantee and indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing;

(viii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(ix) an "**equivalent amount in other currencies**", "**equivalent amount in HK$**", "**equivalent amount in US$**" or "**its equivalent**" means, in relation to an amount in one currency, that amount converted on any relevant date into the relevant currency, HK$ or US$ (as the case may be) at the Agent's Spot Rate of Exchange on that date and other than for the purposes of determining compliance with any basket amount, threshold and any other exceptions to any undertaking under Clause 23 (*General undertakings*) and any Event of Default under Clause 24 (*Events of Default*), the equivalent to any amount in HK dollars or the equivalent to any amount in US dollars shall be determined as at the time of the applicable incurrence, disposal, acquisition, investment, lease, loan, guarantee or other relevant action;

(x) No breach of any undertaking under Clause 23 (*General undertakings*) and any Event of Default under Clause 24 (*Events of Default*) shall arise merely as a result of a subsequent change in the US dollar equivalent or HK dollar equivalent of any amount due to fluctuation in exchange rates;

(xi) a provision of law is a reference to that provision as amended or re-enacted; and

(xii) a time of day is a reference to Hong Kong time.

(b) Any reference to the Agent "**acting reasonably**" shall, to the extent that the Agent seeks instructions from the Lenders or a group of Lenders in respect of any matter, be construed so as to require the Lenders or that group of Lenders to act reasonably in respect of that matter.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, (i) a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and (ii) the word "including" shall be construed as "including without limitation" (and cognate expressions shall be construed similarly).

(e) A Borrower providing "**cash cover**" for an Ancillary Facility means a Borrower paying an amount in the currency of the Ancillary Facility to an interest-bearing account in the name of a Borrower and the following conditions being met:

(i) the account is with the Ancillary Lender for which that cash cover is to be provided;

(ii) until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay the relevant Finance Party amounts due and payable to it under this Agreement in respect of that Ancillary Facility; and

(iii) a Borrower has executed a security document, in form and substance satisfactory to the Finance Party with which that account is held, creating a first ranking security interest over that account.

(f) A Default (including, for the avoidance of doubt, an Event of Default) is "**continuing**" if it has not been remedied or waived and an Acceleration Event is "**continuing**" if the notice in relation to such Acceleration Event has not been withdrawn, cancelled or otherwise ceased to have effect.

(g) A Borrower "**repaying**" or "**prepaying**" Ancillary Outstandings means:

(i) that Borrower providing cash cover in respect of the Ancillary Outstandings;

(ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms; or

(iii) the relevant Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,

and the amount by which the Ancillary Outstandings are repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.

(h) An amount borrowed includes any amount utilised under an Ancillary Facility.

(i) Notwithstanding any other provision of any Finance Document, none of the steps set out or described in, or any actions done or contemplated by, the Services and Right to Use Direct Agreement or the actions or intermediate steps necessary to implement any of those steps or actions shall constitute a breach of any representation or warranty, a breach of any undertaking or otherwise result in the occurrence of a Default or an Event of Default under a Finance Document.

(j) References in this Agreement to "**the original date hereof**", "**the original date of this Agreement**", and any other like expressions shall mean 28 January 2013 and references in this Agreement to "**the date hereof**", "**the date of this Agreement**", and any other like expressions shall mean the 2016 Amendment and Restatement Effective Date.

(k) The principles of construction and interpretation contained or referred to in paragraph (m) of clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to the construction and interpretation of the Services and Right to Use Direct Agreement, including to any capitalised term incorporated into the Services and Right to Use Direct Agreement by reference to this Agreement (whether or not such term is expressly defined in this Agreement). In the event of any inconsistency between the principles of construction contained or referred to in paragraph (m) of clause 1.2 (*Construction*) of the Intercreditor Agreement and a term defined in this Agreement, the principles of construction contained or referred to in paragraph (m) of clause 1.2 (*Construction*) of the Intercreditor Agreement shall take precedence.

(l) The principles of construction and interpretation contained or referred to in paragraph (n) of clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to the construction and interpretation of any Continuing Document, including to any capitalised term incorporated into any Continuing Document by reference to this Agreement (whether or not such term is expressly defined in this Agreement). In the event of any inconsistency between the principles of construction contained or referred to in paragraph (n) of clause 1.2 (*Construction*) of the Intercreditor Agreement and a term defined in this Agreement, the principles of construction contained or referred to in paragraph (n) of clause 1.2 (*Construction*) of the Intercreditor Agreement shall take precedence.

1.3 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of any Finance Document.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

1.4 Intercreditor Agreement

This Agreement is subject to the Intercreditor Agreement. In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

1.5 Terms defined in the covenants

Unless a contrary intention appears, capitalised terms used in this Agreement which are not defined in Clause 1.1 (*Definitions*) have the meaning given to them in Schedule 10 (*Covenants*) and Schedule 11 (*Definitions*).

2. The Facilities

2.1 The Facilities

(a) The Original Lender has made available a Base Currency term loan in an aggregate amount equal to the Total Facility A Participation that has been re-designated as the Facility A Loan.

(b) Subject to the terms of this Agreement, the Revolving Facility Lenders make available to the Borrower a Base Currency revolving loan facility in an aggregate amount equal to the Total Revolving Facility Commitments.

2.2 Increase

(a) The Borrower may by giving prior notice to the Agent by no later than the date falling 10 Business Days after the effective date of a cancellation of the Available Commitment or the Revolving Facility Commitment of an Illegal Lender in accordance with Clause 8.1 (*Illegality*) or Replaceable Lender in accordance with Clause 37.7 (*Cancellation and repayment of a Replaceable Lender (other than an Illegal Lender*)) (such Available Commitment or Revolving Facility Commitment so cancelled being the "**Cancelled Commitment**") request that the Revolving Facility Commitments be increased (and the Revolving Facility Commitments shall be so increased) by an aggregate amount in Hong Kong dollars of up to the amount of the Cancelled Commitment as follows:

(i) such increased Revolving Facility Commitments will be assumed by one or more Lenders or persons (other than a Group Member) (each an "**Increase Lender**") selected by the Borrower and each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of such increased Revolving Facility Commitments under that Facility which it is to assume (the "**Assumed Commitment**" of such Increase Lender), as if it had been an Original Lender;

(ii) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had that Increase Lender been an Original Lender (with the Assumed Commitment in respect of such Increase Lender, in addition to any other Commitment which such Increase Lender may otherwise have in accordance with this Agreement);

(iii) each Increase Lender shall become a Party as a "Lender" and any Increase Lender (with the Assumed Commitment in respect of such Increase Lender, in addition to any other Commitment which such Increase Lender may otherwise have in accordance with this Agreement) and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

(iv) the Commitments of the other Lenders shall continue in full force and effect; and

(v) such increase in the Revolving Facility Commitments shall take effect on the later of (1) the date specified by the Borrower in the notice referred to above or (2) any later date on which the conditions set out in paragraph (b) below are satisfied in respect of such increase.

(b) An increase in the Revolving Facility Commitments pursuant to this Clause 2.2 will only be effective on:

(i) the execution by the Agent of an Increase Confirmation from each relevant Increase Lender in respect of such increase, which the Agent shall execute promptly on request;

(ii) the Increase Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and

(iii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase, the Agent being satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the Assumed Commitments by that Increase Lender. The Agent shall promptly notify the Borrower and the Increase Lender upon being so satisfied.

(c) Each Increase Lender, by executing an Increase Confirmation, confirms that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase in Revolving Facility Commitments (to which such Increase Confirmation relates) becomes effective.

(d) The Borrower shall promptly on demand pay the Agent and the Common Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent or the Common Security Agent (as applicable and, in the case of the Common Security Agent, by any Receiver or Delegate) in connection with any increase in Revolving Facility Commitments under this Clause 2.2.

(e) An Increase Lender shall, on the date upon which its assumption of any Assumed Commitment takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 25.2 (*Assignment or transfer fee*) if such assumption was a transfer pursuant to Clause 25.5 (*Procedure for transfer*) and if the Increase Lender was a New Lender.

(f) The Borrower may pay to an Increase Lender a fee in the amount and at the times agreed between the Borrower and that Increase Lender in a Fee Letter.

(g) Clause 25.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:

(i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase in Revolving Facility Commitments;

(ii) the "**New Lender**" were references to that "**Increase Lender**"; and

(iii) a "**re-transfer**" and "**re-assignment**" were references to, respectively, a "**transfer**" and "**assignment**".

2.3 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.4 Obligors' Agent

(a) Each Obligor (other than the Parent) by its execution of this Agreement or an Accession Letter irrevocably appoints the Parent to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Parent on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of the Borrower, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Parent,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Request) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. Purpose

3.1 Purpose

Subject to Clause 5.5 (*Limitations on Utilisations*), the Borrower shall apply all amounts borrowed by it under the Revolving Facility to finance the general corporate and working capital purposes of the Group, including:

(a) the payment of fees, costs and expenses; and

(b) the financing and refinancing of amounts expended on permitted joint venture investments, capital expenditure and business reorganisations,

provided that no amounts utilised under the Revolving Facility (including any Ancillary Facility) may be applied, directly or indirectly, towards any Notes Repurchase or any payments of interest in respect of any Pari Passu Debt Liability.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. Conditions of utilisation

4.1 Utilisation conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation under the Revolving Facility if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan:

(i) no Acceleration Event is continuing; and

(ii) no Event of Default under Clause 24.5 (*Insolvency*) or Clause 24.6 (*Insolvency proceedings*) has occurred and is continuing;

(b) in the case of any other Utilisation:

(i) no Default is continuing or would result from the proposed Utilisation; and

(ii) all the Repeating Representations are true and correct in all respects or (to the extent such Repeating Representations are not already subject to or qualified as to materiality) all material respects.

4.2 Maximum number of Utilisations

The Borrower may not deliver a Utilisation Request under the Revolving Facility if as a result of the proposed Utilisation more than eight (8) Revolving Facility Loans would be outstanding.

SECTION 3
UTILISATION

5. Utilisation – Revolving Facility Loans

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Revolving Facility in accordance with Clause 2.1 (*The Facilities*) by delivery to the Agent of a duly completed Utilisation Request signed by an authorised signatory of the Borrower, not later than 11.00 a.m. on the fifth Business Day prior to the proposed Utilisation Date.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request for a Revolving Facility Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period applicable to the Revolving Facility;

(ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and

(iii) the proposed Interest Period complies with Clause 12 (*Interest Periods*).

(b) Only one Utilisation may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be HK dollars.

(b) The amount of the proposed Utilisation must be a minimum of HK$10,000,000 or, if less, the Available Facility.

5.4 Lenders' participation

(a) Subject to Clause 7.2 (*Revolving Facility*), if the conditions set out in this Agreement have been met, and (in respect of Revolving Facility Loans), each Lender shall make its participation in each Revolving Facility Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Revolving Facility Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Revolving Facility Loan.

(c) The Agent shall, by 2.00 p.m. on the third Business Day prior to the proposed Utilisation Date, notify each Lender of the amount of each Revolving Facility Loan, the amount of its participation in that Revolving Facility Loan and, if different, the amount of that participation to be made available in cash.

5.5 Limitations on Utilisations

(a) Amounts borrowed under or in respect of the Facilities (including the proceeds of the advance constituting the Facility A Loan under the original form of this Agreement) shall not be applied (directly or indirectly):

(i) for business activities (1) relating to or involving (A) Cuba, Sudan, Iran, Myanmar (Burma), Syria or North Korea (in each case to the extent such country is subject to any economic and/or trade sanctions) or (B) any other countries that are subject to economic and/or trade sanctions as notified in writing by the Agent (acting on behalf of any Lender) to the Borrower from time to time (C) any Restricted Party or (2) which would otherwise result in a breach of any Anti-Terrorism Law; or

(ii) towards any purpose connected with the operation of casino games of chance or other forms of gaming.

(b) Without prejudice to paragraph (a) above, the proceeds of the Revolving Facility shall not be applied towards any purpose other than a purpose specified in Clause 3 (*Purpose*).

5.6 Cancellation of Commitment

The Revolving Facility Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

6. Ancillary Facilities

6.1 Type of Facility

An Ancillary Facility may be by way of:

(a) an overdraft facility;

(b) a guarantee, bonding, documentary or stand-by letter of credit facility;

(c) a short term loan facility;

(d) a derivatives facility;

(e) a foreign exchange facility; or

(f) any other facility or accommodation required in connection with the business of the Group and which is agreed by the Borrower with an Ancillary Lender.

6.2 Availability

(a) If the Borrower and a Lender agree and except as otherwise provided in this Agreement, the Lender may provide all or part of its Revolving Facility Commitment as an Ancillary Facility.

(b) An Ancillary Facility shall not be made available unless, not later than three (3) Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Borrower:

(i) a notice in writing of the establishment of an Ancillary Facility and specifying:

(A) the proposed Borrower which may use the Ancillary Facility;

(B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;

(C) the proposed type of Ancillary Facility to be provided;

(D) the proposed Ancillary Lender;

(E) the proposed Ancillary Commitment and the maximum amount of the Ancillary Facility and, in the case of a Multi-account Overdraft, its Designated Gross Amount and its Designated Net Amount; and

(F) the proposed currency of the Ancillary Facility (if not denominated in HK dollars); and

(ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.

(c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.

(d) Subject to compliance with paragraph (b) above:

(i) the Lender concerned will become an Ancillary Lender; and

(ii) the Ancillary Facility will be available,

with effect from the date agreed by the Borrower and the Ancillary Lender.

6.3 Terms of Ancillary Facilities

(a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Borrower.

(b) Those terms:

(i) must be based upon normal commercial terms at that time (except as varied by this Agreement);

(ii) may allow only the Borrower to use the Ancillary Facility;

(iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;

(iv) may not allow a Lender's Ancillary Commitment to exceed that Lender's Available Commitment relating to the Revolving Facility (before taking into account the effect of the Ancillary Facility on that Available Commitment); and

(v) must require that the Ancillary Commitment is reduced to zero, and that all Ancillary Outstandings are repaid not later than the Termination Date applicable to the Revolving Facility (or such earlier date as the Revolving Facility Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).

(c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for:

(i) Clause 34.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility;

(ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail to the extent required to permit the netting of balances on those accounts; and

(iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.

(d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 14.3 (*Interest, commission and fees on Ancillary Facilities*).

6.4 Repayment of Ancillary Facility

(a) An Ancillary Facility shall cease to be available on the Termination Date applicable to the Revolving Facility or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.

(b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment of the relevant Ancillary Lender shall be reduced to zero.

(c) No Ancillary Lender may demand repayment or prepayment of any Ancillary Outstandings prior to the expiry date of the relevant Ancillary Facility unless:

(i) required to reduce the Permitted Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Designated Net Amount;

(ii) the Total Revolving Facility Commitments have been cancelled in full or all outstanding Utilisations under the Revolving Facility have become due and payable in accordance with the terms of this Agreement;

(iii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility (or it becomes unlawful for any Affiliate of the Ancillary Lender for the Ancillary Lender to do so); or

(iv) both:

(A) the Available Commitments relating to the Revolving Facility; and

(B) the notice of the demand given by the Ancillary Lender,

would not prevent the relevant Borrower funding the repayment of those Ancillary Outstandings in full by way of Revolving Facility Utilisation.

(d) If a Revolving Facility Utilisation is made to repay Ancillary Outstandings in full, the relevant Ancillary Commitment shall be reduced to zero.

6.5 Limitation on Ancillary Outstandings

Each Borrower shall procure that and each Ancillary Lender agrees that:

(a) the Ancillary Outstandings under any Ancillary Facility shall not exceed the Ancillary Commitment applicable to that Ancillary Facility; and

(b) in relation to a Multi-account Overdraft:

(i) the Ancillary Outstandings shall not exceed the Designated Net Amount applicable to that Multi-account Overdraft; and

(ii) the Gross Outstandings shall not exceed the Designated Gross Amount applicable to that Multi-account Overdraft.

6.6 Adjustment for Ancillary Facilities upon acceleration

(a) In this Clause 6.6:

"**Revolving Outstandings**" means, in relation to a Lender, the aggregate of the equivalent in HK dollars of:

(i) its participation in each Revolving Facility Loan then outstanding (together with the aggregate amount of all accrued interest, fees and commission owed to it as a Lender under the Revolving Facility); and

(ii) if the Lender is also an Ancillary Lender, the Ancillary Outstandings in respect of Ancillary Facilities provided by that Ancillary Lender (or by its Affiliate) (together with the aggregate amount of all accrued interest, fees and commission owed to it (or to its Affiliate) as an Ancillary Lender in respect of the Ancillary Facility); and

"**Total Revolving Outstandings**" means the aggregate of all Revolving Outstandings.

(b) If a notice is served under Clause 24.19 (*Acceleration*) (other than a notice declaring Utilisations to be due on demand), each Lender and each Ancillary Lender shall (subject to paragraph (g) below) promptly adjust (by making or receiving (as the case may be) corresponding transfers of rights and obligations under the Finance Documents relating to Revolving Outstandings) their claims in respect of amounts outstanding to them under the Revolving Facility and each Ancillary Facility to the extent necessary to ensure that after such transfers the Revolving Outstandings of each Lender bear the same proportion to the Total Revolving Outstandings as such Lender's Revolving Facility Commitment bears to the Total Revolving Facility Commitments, each as at the date the notice is served under Clause 24.19 (*Acceleration*).

(c) If an amount outstanding under an Ancillary Facility is a contingent liability and that contingent liability becomes an actual liability or is reduced to zero after the original adjustment is made under paragraph (b) above, then each Lender and Ancillary Lender will make a further adjustment (by making or receiving (as the case may be) corresponding transfers of rights and obligations under the Finance Documents relating to Revolving Outstandings to the extent necessary) to put themselves in the position they would have been in had the original adjustment been determined by reference to the actual liability or, as the case may be, zero liability and not the contingent liability.

(d) Any transfer of rights and obligations relating to Revolving Outstandings made pursuant to this Clause 6.6 shall be made for a purchase price in cash, payable at the time of transfer, in an amount equal to those Revolving Outstandings.

(e) Prior to the application of the provisions of paragraph (b) above, an Ancillary Lender that has provided a Multi-account Overdraft shall set off any Available Credit Balance on any account comprised in that Multi-account Overdraft.

(f) All calculations to be made pursuant to this Clause 6.6 shall be made by the Agent based upon information provided to it by the Lenders and Ancillary Lenders and the Agent's Spot Rate of Exchange.

(g) This Clause 6.6 shall not oblige any Lender to accept the transfer of a claim relating to an amount outstanding under an Ancillary Facility which is not denominated (pursuant to the relevant Finance Document) in HK dollars for the purpose of any Revolving Facility Loan or in another currency which is acceptable to that Lender.

6.7 Information

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

6.8 Affiliates of Lenders as Ancillary Lenders

(a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender whose Revolving Facility Commitment is the amount set out opposite the relevant Lender's name in Schedule 1 (*The Original Parties*) and/or the amount of any Revolving Facility Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement.

(b) The Borrower shall specify any relevant Affiliate of a Lender in any notice delivered by the Borrower to the Agent pursuant to paragraph (b)(i) of Clause 6.2 (*Availability*).

(c) An Affiliate of a Lender which becomes an Ancillary Lender shall accede to the Intercreditor Agreement as an Ancillary Lender and any person which so accedes to the Intercreditor Agreement shall, at the same time, become a Party as an Ancillary Lender in accordance with clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement.

(d) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender, its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.

(e) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

6.9 Revolving Facility Commitment amounts

Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Revolving Facility Commitment is not less than the aggregate of:

(a) its Ancillary Commitment; and

(b) the Ancillary Commitment(s) of its Affiliate(s).

6.10 Amendments and waivers – Ancillary Facilities

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause 6). In such a case, Clause 37 (*Amendments and waivers*) will apply.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

7. Repayment

7.1 Facility A

Subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, the Borrower shall repay the Facility A Loan in full on the Termination Date applicable to Facility A. The Borrower may not reborrow any part of the Facility A Loan that is repaid.

7.2 Revolving Facility

(a) The Borrower shall repay each Revolving Facility Loan in full on the last day of its Interest Period.

(b) Without prejudice to the Borrower's obligations under paragraph (a) above, if one or more Revolving Facility Loans are to be made available to the Borrower:

(i) on the same day that a maturing Revolving Facility Loan is due to be repaid by the Borrower; and

(ii) in whole or in part for the purpose of refinancing the maturing Revolving Facility Loan,

the aggregate amount of the new Revolving Facility Loans shall be treated as if applied in or towards repayment of the maturing Revolving Facility Loan so that:

(A) if the amount of the maturing Revolving Facility Loan exceeds the aggregate amount of the new Revolving Facility Loans:

(1) the Borrower will only be required to pay an amount in cash in the relevant currency equal to that excess; and

(2) each Lender's participation (if any) in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the maturing Revolving Facility Loan and that Lender will not be required to make its participation in the new Revolving Facility Loans available in cash; and

(B) if the amount of the maturing Revolving Facility Loan is equal to or less than the aggregate amount of the new Revolving Facility Loans:

(1) the Borrower will not be required to make any payment in cash; and

(2) each Lender will be required to make its participation in the new Revolving Facility Loans available in cash only to the extent that its participation (if any) in the new Revolving Facility Loans exceeds that Lender's participation (if any) in the maturing Revolving Facility Loan and the remainder of that Lender's participation in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Facility Loan.

(c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Revolving Facility Loans then outstanding will be automatically extended to the Termination Date applicable to the Revolving Facility and will be treated as separate Revolving Facility Loans (the "**Separate Loans**") denominated in the Base Currency.

(d) A Separate Loan may be prepaid by giving five (5) Business Days' prior notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.

(e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by the Borrower to the Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Loan.

(f) The terms of this Agreement relating to Revolving Facility Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

8. Illegality, voluntary prepayment and cancellation

8.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and

(c) to the extent that Lender's participation has not been transferred pursuant to Clause 37.5 (*Replaceable Lenders*), the Borrower shall repay that Lender's participation in each Utilisations on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

8.2 Voluntary cancellation

The Borrower may, if it gives the Agent not less than five (5) Business Days' prior notice, cancel the whole or any part (being a minimum of HK$100,000,000) of the Available Facility in respect of the Revolving Facility. Any cancellation under this Clause 8.2 shall reduce the Commitments of the Lenders rateably under the Revolving Facility.

8.3 Voluntary prepayment of the Facility A Loan

Subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, the Borrower under a Facility may, if it gives the Agent not less than five (5) Business Days' prior notice, prepay the whole or any part of the Facility A Loan (but, if in part, being an amount that reduces the Facility A Loan by a minimum amount of HK$500,000).

8.4 Voluntary prepayment of Revolving Facility Loans

The Borrower may, if it gives the Agent not less than five (5) Business Days' prior notice, prepay the whole or any part of a Revolving Facility Loan (but, if in part, being an amount that, whether alone or with any such prepayment made by any other Borrower at such time, reduces such Revolving Facility Loan by a minimum amount of HK$100,000,000).

9. Mandatory prepayment

Each Borrower shall prepay the Utilisations and/or cancel Commitments under the Facilities on the dates and in accordance, and otherwise comply, with the provisions of this Clause 9 (*Mandatory prepayment*).

9.1 Definitions

For the purposes of this Clause 9 (*Mandatory prepayment*):

"**Concession Expiry**" means termination, revocation, rescission or modification of the Gaming Subconcession (including by way of expiry on its terms) which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Group, taken as a whole.

"**Concession-Related Mandatory Prepayment Event**" means the occurrence of:

(a) a Concession Expiry; or

(b) a Land Concession Termination.

"**Disposal Prepayment Event**" means the Disposal of all or substantially all of the business and assets of the Group or all the Obligors.

"**Land Concession Termination**" means the termination, revocation or rescission of the Amended Land Concession (including by way of expiry on its terms) unless a new land concession with respect to the Property is granted to a Group Member or Group Members in replacement of the Amended Land Concession which is the subject of such termination, revocation or rescission.

9.2 Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event

(a) If a Change of Control or Concession-Related Mandatory Prepayment Event occurs:

(i) the Parent will promptly notify the Agent upon becoming aware of that event;

(ii) no Lender shall be obliged to fund a Utilisation (except for a Rollover Loan) and an Ancillary Lender shall not be obliged to fund a utilisation of an Ancillary Facility (unless the terms of such Ancillary Facility provide otherwise); and

(iii) if a Lender so requires and notifies the Agent within 20 Business Days of the earlier of (A) the Parent's notifying the Agent of the event and (B) that Lender becoming aware the event has occurred, the Agent shall, by not less than 10 Business Days' notice to the Parent, cancel the Commitment of that Lender in respect of the Revolving Facility and declare the participation of that Lender in all outstanding Utilisations in respect of the Revolving Facility and Ancillary Outstandings, together with accrued interest and all other amounts accrued under the Finance Documents to that Lender (including, without limitation, in respect of Facility A (other than the principal amount outstanding in respect of the Facility A Loan)), immediately due and payable, whereupon the Commitment of that Lender in respect of the Revolving Facility will be cancelled and, to the extent that Lender's relevant participations have not been transferred pursuant to Clause 37.5 (*Replaceable Lenders*), all such outstanding amounts will become immediately due and payable and full cash cover in respect of its contingent liability under an Ancillary Facility shall become immediately due and payable.

(b) Subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, if a Disposal Prepayment Event occurs, the Facilities will be cancelled and all outstanding Utilisations, together with accrued interest and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

(c) In accordance with paragraph (e) of Clause 37.3 (*Exceptions*), any waiver which relates to a right to prepayment under this Clause 9.2 may only be waived with the consent of the Lender that is entitled to the prepayment.

9.3 [Reserved]

9.4 Notes Repurchases

(a) If a Notes Repurchase occurs, or an offer to make a Notes Repurchase has been made, the Borrower will, promptly upon becoming aware of such event, notify the Agent of the details of the event, including the amount of the Notes Repurchase.

(b) The Borrower shall cancel and prepay the relevant proportion of the Revolving Facility if required by, and in accordance with Clause 23.15 (*Notes Repurchase condition*).

9.5 Asset Sales

The Borrower shall cancel and prepay the relevant proportion of the Revolving Facility if required by, and in accordance with, Section 5 (*Asset Sales*) of Schedule 10 (*Covenants*).

9.6 Waivers

Any waiver that relates to a right to prepayment under Clause 9.4 (*Notes Repurchases*) or 9.5 (*Asset Sales*) above may only be waived with the consent of the Lender that is entitled to the prepayment.

9.7 Application of mandatory prepayments and cancellations – Note Repurchases and Asset dispositions

(a) Prepayments of Utilisations and cancellations of Commitments made pursuant to Clause 9.4 (*Notes Repurchases*) or Clause 9.5 (*Asset Sales*) shall be applied in the following order:

(i) *firstly*, in cancellation of the Available Commitments (and the Available Commitment of the Lenders will be cancelled rateably);

(ii) *secondly*, in permanent prepayment and cancellation of Revolving Facility Utilisations and cancellation of Commitments under the Revolving Facility;

(iii) *thirdly*, in prepayment and cancellation of the Ancillary Outstandings and Ancillary Commitments; and

(iv) *then*, subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, in permanent prepayment of the Facility A Loan.

(b) Unless the Borrower makes an election under paragraph (c) below, the Borrower shall make prepayments under Clause 9.5 (*Asset Sales*) promptly upon receipt of the relevant proceeds.

(c) Subject to paragraph (d) below, the Borrower may, by giving the Agent not less than three (3) Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, elect that any prepayment under Clause 9.5 (*Asset Sales*) be applied in prepayment of a Loan on the last day of the Interest Period relating to that Loan. If the Borrower makes such an election, then a proportion of the Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.

(d) If the Borrower has made an election under paragraph (c) above but an Event of Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree).

10. Restrictions

10.1 Notices of cancellation or prepayment

Any notice of cancellation or prepayment, authorisation or other election given by any Party under Clause 8 (*Illegality, voluntary prepayment and cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, any such notice shall specify the date or dates upon which the relevant cancellation or prepayment is to be made, the affected Facility (or Facilities) and Utilisations and the amount of that cancellation or prepayment.

10.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

10.3 Reborrowing of Facilities

The Borrower shall not reborrow any part of Facility A which is prepaid. Unless a contrary indication appears in this Agreement, any part of the Revolving Facility which is repaid or voluntarily prepaid may be reborrowed in accordance with the terms of this Agreement.

10.4 Prepayment in accordance with Agreement

The Borrower shall not repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

10.5 No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

10.6 Agent's receipt of notices

If the Agent receives a notice under Clause 8 (*Illegality, voluntary prepayment and cancellation*), it shall promptly forward a copy of that notice or election to either the Borrower or the affected Lender, as appropriate.

10.7 Prepayment notices

The Agent shall notify the Lenders as soon as possible of any proposed prepayment of that Facility under Clause 8.3 (*Voluntary prepayment of the Facility A Loan*).

10.8 Effect of repayment and prepayment

If all or part of a Loan under the Revolving Facility is repaid or prepaid and is not available for redrawing (other than as may conditionally be the case pursuant to Clause 4.1 (*Utilisation conditions precedent*)), an amount of the Commitments (equal to the amount of the Loan which is repaid or prepaid) in respect of the Revolving Facility will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 10.8 (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 8.1 (*Illegality*) or Clause 37.7 (*Cancellation and repayment of a Replaceable Lender (other than an Illegal Lender*)) shall reduce the Commitments of the Lenders rateably under the Revolving Facility.

SECTION 5
COSTS OF UTILISATION

11. Interest

11.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin; and

(b) HIBOR.

11.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than three Months, on the dates falling at three-monthly intervals after the first day of the Interest Period).

11.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2 per cent. higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 11.3 shall be immediately payable by the relevant Obligor on demand by the Agent.

(b) If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be 2 per cent. higher than the rate which would have applied if the Unpaid Sum had not become due.

(c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

11.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the relevant Borrower (or the Parent) of the determination of a rate of interest under this Agreement.

12. Interest Periods

12.1 Selection of Interest Periods

(a) The Borrower (or the Parent on behalf of the Borrower) may select a subsequent Interest Period for the Facility A Loan in a Selection Notice. The Borrower (or the Parent on behalf of the Borrower) may select an Interest Period for a Revolving Facility Loan in the Utilisation Request for that Revolving Facility Loan.

(b) Each Selection Notice for the Facility A Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Parent on behalf of the Borrower) not later than 11.00 a.m. on the fifth Business Day prior to the commencement of the next Interest Period.

(c) If the Borrower (or the Parent) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period in respect of the Facility A Loan will be one Month.

(d) Subject to this Clause 12, the Borrower (or the Parent) may select an Interest Period for a Loan of one, two, three or six Months or any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan).

(e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.

(f) Each Interest Period for a Loan shall start on the Utilisation Date with respect to that Loan or (if already made) on the last day of its preceding Interest Period.

(g) A Revolving Facility Loan has one Interest Period only.

12.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

13. Changes to the calculation of interest

13.1 Absence of quotations

Subject to Clause 13.2 (*Market disruption*), if HIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by (in relation to HIBOR) 11: 00 a.m. on the Quotation Date for HK dollars, HIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

13.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event not less than the date falling two (2) Business Days after the Quotation Date (or, if earlier, on the date falling two (2) Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

(b) In this Agreement "**Market Disruption Event**" means:

(i) at or about noon on the Quotation Date for the relevant Interest Period for the relevant Loan the Screen Rate is not available or the Screen Rate is zero or negative and none or only one of the Reference Banks supplies a rate to the Agent to determine HIBOR for the relevant currency and Interest Period; or

(ii) before close of business on the Quotation Date for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose aggregate participations in that Loan exceed 35 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of HIBOR.

(c) If a Market Disruption Event shall occur, the Agent shall promptly notify the Lenders and the Borrower thereof.

(d) If:

(i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than HIBOR; or

(ii) a Lender has not notified the Agent of a percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be HIBOR.

13.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

(c) For the avoidance of doubt, in the event that no substitute basis is agreed at the end of the thirty day period, the rate of interest shall continue to be determined in accordance with the terms of this Agreement.

13.4 Break Costs

(a) Each Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

14. Fees

14.1 Commitment fee

(a) The Borrower shall pay to the Agent (for the account of each Lender under the Revolving Facility) a commitment fee in HK dollars that is computed at a rate of 35 per cent. of the Margin applicable to the Revolving Facility on that Lender's Available Commitment under the Revolving Facility for the period from (and including) the first date of the Availability Period applicable to the Revolving Facility to (but excluding) the last day of the Availability Period applicable to the Revolving Facility.

(b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the relevant period specified in paragraph (a) above, on the last day of the relevant Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time such cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

14.2 Agent's fee

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in any Fee Letter.

14.3 Interest, commission and fees on Ancillary Facilities

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

15. Tax gross-up and indemnities

15.1 Definitions

(a) In this Agreement:

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 15.2 (*Tax gross-up*) or a payment under Clause 15.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 15 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

15.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it under a Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrower shall promptly upon an Obligor becoming aware that such Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that relevant Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

15.3 Tax indemnity

(a) Without prejudice to Clause 15.2 (*Tax gross-up*), the Borrower shall (within five (5) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or the transactions occurring under such Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party;

(ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 15.2 (*Tax gross-up*); or

(iii) to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall notify the Agent of the event which will give, or has given, rise to the claim within 120 days after the date on which that Protected Party becomes aware of it (after which that Protected Party shall not be entitled to claim any indemnification or payment under this Clause 15.3), following which the Agent shall notify the Borrower.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 15.3, notify the Agent.

15.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the relevant Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the relevant Obligor.

15.5 Stamp taxes

The Borrower shall pay and, within five (5) Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration, excise and other similar Taxes payable in respect of any Finance Document or the transactions occurring under any of them.

15.6 Indirect tax

(a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

(b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

15.7 Survival of obligations

Without prejudice to the survival of any other section of this Agreement, the agreements and obligations of each Obligor and each Finance Party contained in this Clause 15 shall survive the payment in full by the Obligors of all obligations under this Agreement and the termination of this Agreement.

15.8 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within 10 Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

15.9 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

16. Increased Costs

16.1 Increased costs

(a) Subject to Clause 16.3 (*Exceptions*) the Borrower shall, within five (5) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement; or

(ii) compliance with any law or regulation made after the date of this Agreement.

The terms "law" and "regulation" in this paragraph (a) shall include, without limitation, any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement:

(i) "**Increased Costs**" means:

(A) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital (including, without limitation, as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

(ii) "**Basel III**" means (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision on 16 December 2010, each as amended, supplemented or restated, (B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated and (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

16.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 16.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim within 120 days of the date on which that Finance Party becomes aware of it, following which the Agent shall promptly notify the Borrower.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

16.3 Exceptions

(a) Clause 16.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) compensated for by Clause 15.3 (*Tax indemnity*) (or would have been compensated for under Clause 15.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 15.3 (*Tax indemnity*) applied);

(iii) attributable to a FATCA Deduction required to be made by a Party;

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(v) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates); or

(vi) not notified to the Agent by the Finance Party (that is claiming any indemnification or payment under this Clause 16 in respect of such Increased Cost) within 120 days of the date of such Finance Party becoming aware of the event giving rise to such Increased Costs in accordance with paragraph (a) of Clause 16.2 (*Increased costs claims*).

(b) In this Clause 16.3, a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 15.1 (*Definitions*).

17. Other indemnities

17.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within five (5) Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

17.2 Other indemnities

(a) The Borrower shall (or shall procure that an Obligor will), within five (5) Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by it as a result of:

(i) the occurrence of any Event of Default;

(ii) any information produced or approved by any Obligor being or being alleged to be misleading and/or deceptive in any respect;

(iii) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Obligor or with respect to the transaction contemplated or financed under this Agreement;

(iv) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 30 (*Sharing among the Finance Parties*);

(v) funding, or making arrangements to fund, its participation in a Loan requested in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(vi) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower or the Parent.

17.3 Indemnity to the Agent

The Borrower shall promptly indemnify the Agent against:

(a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(i) investigating any event which it reasonably believes is a Default; and

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; and

(b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents.

18. Mitigation by the Lenders

18.1 Mitigation

(a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 8.1 (*Illegality*), Clause 15 (*Tax gross-up and indemnities*) or Clause 16 (*Increased Costs*), including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

18.2 Limitation of liability

(a) The Borrower shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 18.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 18.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

19. Costs and expenses

19.1 Transaction expenses

The Borrower shall within five (5) Business Days (other than in respect of costs and expenses required to be paid as a condition to Utilisation) of demand pay (or shall procure that another member of the Group will pay) the Agent, the Common Security Agent and the POA Agent the amount of all costs and expenses (including legal fees but subject to any agreed caps) reasonably incurred by the Agent, the Common Security Agent or the POA Agent as applicable (and, in the case of the Common Security Agent and the POA Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of any Finance Documents executed after the date of this Agreement.

19.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 31.10 (*Change of currency*), the Borrower shall, within five (5) Business Days of demand, reimburse (or shall procure that another member of the Group will reimburse) each of the Agent, the Common Security Agent and the POA Agent for the amount of all costs and expenses (including legal fees, disbursements and other out of pocket expenses) reasonably incurred or made by the Agent, the Common Security Agent or the POA Agent as applicable (and, in the case of the Common Security Agent and the POA Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

19.3 Common Security Agent's ongoing costs

(a) In the event of (i) a Default or (ii) the Common Security Agent considering it necessary or expedient or (iii) the Common Security Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Common Security Agent and the Borrower agree to be of an exceptional nature and/or outside the scope of the normal duties of the Common Security Agent under the Finance Documents, the Borrower shall pay (or shall procure that another member of the Group will pay) to the Common Security Agent any additional remuneration that may be agreed between them.

(b) If the Common Security Agent and the Borrower fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Common Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Common Security Agent) by the President for the time being of the Law Society of Hong Kong (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

19.4 Enforcement and preservation costs

The Borrower shall, within five (5) Business Days of demand, pay (or shall procure that another member of the Group will pay) to each Secured Party the amount of all costs and expenses (including legal fees, disbursements and other out of pocket expenses) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Common Security Agent or the POA Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

SECTION 7
GUARANTEE

20. Guarantee and indemnity

20.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 20 if the amount claimed had been recoverable on the basis of a guarantee.

20.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

20.3 Reinstatement

If for any reason (including, without limitation, as a result of insolvency, breach of fiduciary or statutory duties or any similar event):

(a) any payment to a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided, reduced or required to be restored, or

(b) any discharge, compromise or arrangement (whether in respect of the obligations of any Obligor or any security for any such obligation or otherwise) given or made wholly or partly on the basis of any payment, security or other matter which is avoided, reduced or required to be restored,

then:

(i) the liability of each Obligor shall continue (or be deemed to continue) as if the payment, discharge, compromise or arrangement had not occurred; and

(ii) each Finance Party shall be entitled to recover the value or amount of that payment or security from each Obligor, as if the payment, discharge, compromise or arrangement had not occurred.

20.4 Waiver of defences

The obligations of each Guarantor under this Clause 20 will not be affected by any act, omission, matter or thing which, but for this Clause 20, would reduce, release or prejudice any of its obligations under this Clause 20 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;

(g) any insolvency or similar proceedings; or

(h) this Agreement or any other Finance Document not being executed by or binding against any other Guarantor or any other party.

20.5 Guarantor intent

Without prejudice to the generality of Clause 20.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for or in connection with any purpose whatsoever, including without limitation, any of the following: any amendment or waiver contemplated under a Fee Letter, any Property or Site expansion; acquisitions of any nature; increasing working capital; enabling dividends or distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and expenses associated with any of the foregoing.

20.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 20. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

20.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 20.

20.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 20:

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under this Clause 20;

(e) to exercise any right of set off against any Obligor; and/or

(f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If any Obligor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all the Secured Obligations to be repaid or discharged in full, on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 31 (*Payment mechanics*).

20.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

21. Representations

Each Obligor makes the representations and warranties set out in this Clause 21 at the times set out herein.

21.1 Times when representations made

(a) All the representations and warranties in this Clause 21 (other than paragraph (a) of Clause 21.11 (*No default*)) are made by each Obligor on the 2016 Amendment and Restatement Effective Date and on the 2021 Amendment and Restatement Effective Date.

(b) The Repeating Representations are deemed to be made by each Obligor on:

(i) the date of each Utilisation Request;

(ii) each Utilisation Date; and

(iii) the first day of each Interest Period.

(c) The representations and warranties set out in paragraph (a) of Clause 21.14 (*Financial statements*) will cease to be made in respect of any financial statements on and from the date on which more recent financial statements are delivered to the Agent pursuant to Clause 22.4 (*Financial statements*).

(d) The Repeating Representations and each of the representations and warranties set out in Clause 21.9 (*No filing or stamp taxes*), Clause 21.10 (*Deduction of Tax*) and paragraph (a) of Clause 21.14 (*Financial statements*) (as if such representation applied to the financial statements delivered by that Additional Guarantor as a condition precedent to its accession to this Agreement) are deemed to be made by each Additional Guarantor on the day on which it becomes an Additional Guarantor.

(e) Each representation or warranty made or deemed to be made after the date of the 2016 Amendment and Restatement Effective Date shall be made or deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is made or deemed to be made.

21.2 Status

(a) Each Obligor is a limited liability corporation or company duly incorporated or organised, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organisation, as the case may be.

(b) Each of the Obligors has the power to own its assets and carry on its business as it is being conducted.

21.3 Binding obligations

Subject to the Legal Reservations:

(a) the obligations expressed to be assumed by each Obligor in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; and

(b) without limiting the generality of paragraph (a) above, each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

21.4 Pari Passu

The payment obligations under the Finance Documents of each of the Obligors rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

21.5 Non-conflict with other obligations

The entry into and performance by each Obligor of, and the transactions contemplated by, the Transaction Documents and the granting of the Transaction Security do not and will not conflict with:

(a) any law or regulation applicable to such Obligor;

(b) its Constitutional Documents; or

(c) any agreement or instrument binding upon it or any of assets or constitute a default or termination event (however described) under any such agreement or instrument, except where a Material Adverse Effect does not or would not be reasonably expected to occur.

21.6 Power and authority

Each Obligor has the power to enter into, perform and deliver, and if that Obligor is a corporation has taken all necessary corporate action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

21.7 Validity and admissibility in evidence

(a) All Authorisations required:

(i) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party; and

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

(b) All Authorisations necessary for it to carry out its business, where the failure of obtaining such Authorisations has or would reasonably be expected to have a Material Adverse Effect, have been obtained or effected and are in full force and effect.

21.8 Governing law and enforcement

Subject to the Legal Reservations:

(a) the choice of governing law of the Finance Documents will be recognised and enforced in each Obligor's Relevant Jurisdictions; and

(b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

21.9 No filing or stamp taxes

Subject to the Legal Reservations, under the laws of each Obligor's Relevant Jurisdictions it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents (save for any stamp, registration, notarial or similar Tax which is referred to in any legal opinion of legal counsel in Macau SAR delivered to the Agent under the 2016 Amendment and Restatement Agreement or the 2021 Amendment and Restatement Agreement, which will be made or paid promptly after the date of the relevant Finance Document).

21.10 Deduction of Tax

No Obligor is required under the laws of its Relevant Jurisdiction or at its address specified in accordance with this Agreement to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

21.11 No default

(a) No Event of Default is continuing or would reasonably be expected to result from the making of any utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on any Obligor or to which its assets are subject which has or would reasonably be expected to have a Material Adverse Effect.

21.12 Taxation

No Obligor is materially overdue in the filing of any Tax returns nor is any Obligor overdue in the payment of any amount in respect of Tax, (a) where the failure to file or pay the Tax has or would reasonably be expected to have a Material Adverse Effect or (b) unless such payment is being contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets have been retained in accordance with GAAP in respect of such payment.

21.13 No misleading information

Except as disclosed to the Agent in writing, to the Borrower's knowledge (*provided that* such limitation by reference to the Borrower's knowledge shall not apply with respect to Information that solely relates to the Borrower and does not relate to any other member of the Group):

(a) any financial projection or forecast contained in the Financial Model (the "**Projections**") have been prepared in good faith on the basis of recent historical information and on the basis of assumptions believed by the Borrower to be reasonable (as at the time of preparation) and have been prepared, where applicable, in accordance with the applicable accounting principles as disclosed to the Lenders, it being understood that the Projections are subject to significant uncertainties and contingencies many of which are beyond the control of the Group and that no assurances can be given that the Projections will be realised;

(b) any written factual information provided by any member of the Group to a Finance Party in connection with the Financial Model or the 2016 Amended and Restatement Agreement is, taken as a whole, true, complete and accurate in all material respects and is, taken as a whole, not misleading in any respect (in each case) as at the date on which such information is provided; and

(c) all other written information provided by any member of the Group to a Finance Party pursuant to any express provision of any Finance Document on or after the 2016 Amendment and Restatement Effective Date is, taken as a whole, true, complete and accurate in all material respects and is, taken as a whole, not misleading in any respect (in each case) as at the date on which such information is provided.

21.14 Financial statements

(a) The most recent consolidated financial statements of the Parent delivered pursuant to Clause 22.4 (*Financial statements*) or otherwise pursuant to this Agreement prior to the 2016 Amendment and Restatement Agreement Effective Date:

(i) have been prepared in accordance with GAAP; and

(ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.

(b) The Projections supplied under this Agreement or in connection with the 2016 Amended and Restatement Agreement:

(i) were arrived at after careful consideration and have been prepared in good faith and with due care on the basis of recent historical information and on the basis of assumptions which were reasonable as at the date they were prepared and supplied; and

(ii) are consistent in all material respects with the provisions of the Transaction Documents (including Clause 22 (*Information undertakings*)) and the Original Financial Statements.

(c) Since 31 December 2015 there has been no material adverse change in the business, assets or financial condition of the Group.

21.15 No proceedings started or threatened

Save for any frivolous or vexatious claims (which, in the case of any such proceedings commenced in any jurisdiction other than Macau SAR, have been vacated, discharged, stayed or bonded pending appeal within 60 days of commencement) or save as otherwise disclosed to and accepted by the Agent, to the best of its knowledge and belief and having made due and careful enquiry, no litigation, arbitration, administrative proceedings or investigations of, or before, any court, arbitral body or other Governmental Authority which has or would reasonably be expected to have a Material Adverse Effect have been started or threatened against any Obligor.

21.16 No breach of laws

No Obligor has breached any law or regulation which breach has or would reasonably be expected to have a Material Adverse Effect.

21.17 No breach of Environmental laws

(a) Each Obligor is in compliance with Clause 23.4 (*Environmental compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or would reasonably be expected to have a Material Adverse Effect.

(b) To the best of its knowledge and belief (having made due and careful enquiry), the Property does not contain any hazardous substances or antiquities or other obstructions whose presence affects or would reasonably be expected to affect any Obligor or the Property or the Phase II Project in any manner that would reasonably be expected to have a Material Adverse Effect.

21.18 Ranking of Transaction Security

Subject to the Legal Reservations (other than any qualification or reservation in a legal opinion as to the ranking of the Transaction Security which are not matters of law of general application), the Transaction Security has or (when granted) will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security.

21.19 Good and marketable title to assets

Each Obligor has good, valid and marketable title to, or valid leases or licences of or is otherwise permitted to use the assets necessary to carry on its business as currently conducted.

21.20 Legal and beneficial ownership

(a) Each of the Obligors is or will be (as the case may be) the sole legal and beneficial owner of the respective assets over which it purports to grant Security in each case free from any claims, third party rights or competing interests other than any Permitted Lien.

(b) Propco is the sole legal and beneficial holder of, and has good title to, or has a valid leasehold right in, the land described in the Amended Land Concession.

21.21 Shares

The shares of any Obligor which are or will be subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. Neither the Constitutional Documents of companies whose shares are subject to the Transaction Security nor any other Legal Requirement can or do restrict or inhibit any transfer or other disposal of those shares on creation or enforcement of the Transaction Security except that the Constitutional Documents of the Macau Obligors contain certain preferential rights in case of a voluntary or judicial transfer of shares. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any Obligor (including any option or right of pre-emption or conversion), other than as permitted by the Finance Documents).

21.22 Insurance

(a) Each Obligor is insured by insurers of recognised financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses and in the jurisdiction in which it is or proposed to be engaged.

(b) To the best knowledge and belief of each Obligor (after having made due and careful enquiry), no event or circumstance has occurred (including any omission to disclose any fact) which could validly entitle the relevant insurers in respect of any such insurance to terminate, rescind or otherwise avoid or reduce its liability under such insurance to the extent such termination, rescission, avoidance or reduction has or would reasonably be expected to have a Material Adverse Effect.

21.23 Amended Land Concession

(a) The Agent has received a true, complete and correct copy of the Amended Land Concession in effect or required to be in effect as of the date of this representation is made (including all exhibits, schedules, disclosure letters, modifications and amendments referred to therein or delivered or made pursuant thereto, if any).

(b) The Amended Land Concession is in full force and effect and enforceable against the parties thereto in accordance with its terms, subject only to the Legal Reservations.

21.24 Labour disputes

There are no strikes, lockouts, stoppages, slowdowns or other labour disputes against any Obligor pending or, to the best of the knowledge and belief (having made all due and proper enquiry) of each Obligor, threatened that (individually or in the aggregate) have or would be reasonably expected to have a Material Adverse Effect.

21.25 Anti-terrorism laws

(a) To the best of the Obligors' knowledge, no Obligor nor any Affiliate thereof: (i) is, or is controlled by, a Restricted Party; (ii) has received funds or other property from a Restricted Party; or (iii) is in breach of or is the subject of any action or investigation under any Anti-Terrorism Law.

(b) Each Obligor and, to the best of the Obligors' knowledge, each Affiliate thereof has taken reasonable measures to ensure compliance with the Anti-Terrorism Laws.

21.26 Acting as principal

Save for the Parent when acting in its capacity as Obligors' Agent, each Obligor is acting as principal for its own account and not as agent or trustee in any capacity on behalf of any person in relation to the Finance Documents.

22. Information undertakings

22.1 Content

The Obligors undertake to each Finance Party that they shall comply with the covenants set out in this Clause 22 (*Information undertakings*).

22.2 Duration

The covenants in this Clause 22 (*Information undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.3 Definitions

In this Agreement:

"**Annual Financial Statements**" means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 22.4 (*Financial statements*);

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date;

"**Financial Year**" means the annual accounting period of the Group ending on or about 31 December in each year;

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December in each Financial Year; and

"**Quarterly Financial Statements**" means the financial statements delivered pursuant to paragraph (b) of Clause 22.4 (*Financial statements*).

"**Officer**" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Borrower or the Parent or Melco Resorts (as the case may be), or any Directors of the Board or any person acting in that capacity, in each case acting with due authority.

22.4 Financial statements

The Parent shall supply to the Agent in sufficient copies for all the Lenders:

(a) as soon as they are available, but in any event within 120 days after the end of each of its Financial Years the audited consolidated financial statements for that Financial Year of the Parent reported on by the Auditors commencing with the Financial Year ending 31 December 2016; and

(b) as soon as they are available, but in any event within 60 days after the end of each of first three Financial Quarters of each of its Financial Years, the unaudited consolidated financial statements for that Financial Quarter of the Parent commencing with the Financial Quarter ending 31 March 2017.

22.5 Requirements as to financial statements

(a) The Parent shall procure that each set of Annual Financial Statements and Quarterly Financial Statements which provides for a consolidation of all members of the Parent includes a balance sheet, profit and loss account and cashflow statement. In addition the Parent shall procure that:

(i) each set of Annual Financial Statements of the Parent shall be audited by the Auditors; and

(ii) each set of Quarterly Financial Statements includes equivalent figures for the Financial Year to date and each set of Annual Financial Statements and Quarterly Financial Statements also sets forth in comparative form figures for the previous year (if any and to the extent only such periods, in each case, are covered by financial statements required to be delivered under paragraphs (a) and (b) of Clause 22.4 (*Financial statements*) above).

(b) Each set of financial statements delivered pursuant to Clause 22.4 (*Financial statements*):

(i) shall be certified by an Officer of the Parent as giving a true and fair view of (in the case of Annual Financial Statements for any Financial Year), or fairly representing (in other cases), its financial condition and operations as at the date as at which those financial statements were drawn up, and in the case of its audited Original Financial Statements and the Annual Financial Statements, fairly representing (as at the time such financial statements are delivered) its consolidated financial condition and results of operations and give a true and fair view of its consolidated financial condition and results of operations; and

(ii) shall be prepared using GAAP, accounting practices and financial reference periods substantially consistent with those applied in the preparation of the Financial Model and the Original Financial Statements unless the Parent notifies the Agent that there has been a change in GAAP, or the accounting practices, in which case, it shall deliver to the Agent:

(A) a description of any change necessary for those financial statements to reflect GAAP, or accounting practices upon which the Financial Model, the Original Financial Statements or, as the case may be, any subsequent financial statements were prepared; and

(B) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to make an accurate comparison between the financial position indicated in those financial statements and the Financial Model, the Original Financial Statements or, as the case may be, any subsequent financial statements.

(c) If the Parent notifies the Agent of any change in accordance with paragraph (b)(ii) above, the Parent and Agent shall enter into negotiations in good faith with a view to agreeing:

(i) whether or not the change might result in any material alteration in the commercial effect of any of the terms of this Agreement; and

(ii) if so, any amendments to this Agreement which may be necessary to ensure that the change does not result in any material alteration in the commercial effect of those terms,

and, if any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms. If no such agreement is reached within 30 days of that notification of change, the Agent shall (if so requested by the Majority Lenders) instruct the Auditors or independent accountants (approved by the Parent or, in the absence of such approval within 5 days of request by the Agent of such approval, a firm with recognised expertise) to determine any amendments to any terms of this Agreement which the Auditors or, as the case may be, accountants (acting as experts and not arbitrators) consider appropriate to ensure the change does not result in any material alteration in the commercial effect of the terms of this Agreement. Those amendments shall take effect when so determined by the Auditors, or as the case may be, accountants. The cost and expense of the Auditors or accountants shall be for the account of the Borrower.

22.6 Pari Passu Debt Liabilities

The Parent shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) at the same time as sent to the relevant Pari Passu Debt Creditors:

(a) any notification of (together with an invitation to each Lender to attend but not participate at) any noteholder or lender meeting, presentation, conference call or other material event announced publicly; and

(b) any other notice, document or information provided by an Obligor to any Pari Passu Debt Creditor in connection with any Pari Passu Debt Documents or Pari Passu Debt Liabilities.

22.7 Year-end

The Parent shall not change its Financial Year-end or Financial Quarter-end and shall procure that each Financial Year-end of each member of the Group and each other Obligor falls on 31 December and each Financial Quarter-end of each member of the Group and each other Obligor falls on the relevant Quarter Date.

22.8 Information: miscellaneous

The Parent shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) promptly, details of any insurance claim or series of related insurance claims by any Obligor under any insurance policies required to be maintained under this Agreement which exceed, in aggregate, US$50,000,000 (or its equivalent), details of material changes in the insurance cover under any insurance policies required to be maintained under this Agreement in respect of the Group and, upon request by the Agent, copies of insurance policies or certificates of insurance in respect of the Group under any insurance policies required to be maintained under this Agreement or such other evidence of the existence of those policies as may be reasonably acceptable to the Agent;

(b) a copy of each written notice which is delivered under or in connection with the Amended Land Concession to or from the Macau SAR Government or any Governmental Authority (if material to the interests of the Finance Parties) promptly upon despatch or receipt of such notice;

(c) at the same time as they are dispatched, copies of all documents dispatched by the Parent to its shareholders generally (or any class of them in their capacity as shareholders) or dispatched by the Parent to its creditors generally (or any class of them) (other than in the ordinary course of business);

(d) promptly upon becoming aware of them, the details of any material litigation, arbitration or investigation by a Governmental Authority or other administrative proceedings other than any frivolous or vexatious proceedings which are current, threatened or pending against any Obligor which would involve a loss, liability, or a potential or alleged loss or liability which, if adversely determined, has or would reasonably be expected to have a Material Adverse Effect, or any material development in any such proceedings and details of any material updates to the status of the arbitration proceedings in respect of the Phase I Construction Contract, in each case together with such other information concerning such proceedings as the Agent may reasonably require;

(e) promptly upon becoming aware of them, the details of any disposal or other facts and circumstances which may result in a prepayment under Clause 9.4 (*Notes Repurchases*) or Clause 9.5 (*Asset Sales*);

(f) a copy of any filing made by Melco Resorts with any stock exchange or regulatory authority in respect of circumstances that could give rise to a Change of Control at the same time as that filing is made;

(g) promptly, such information as the Common Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;

(h) promptly on request, such further information regarding the financial condition, assets and operations of any Obligor or an updated Group structure chart as any Finance Party through the Agent may reasonably request; and

(i) promptly and for information purpose only, a copy of (A) the project budget for the Phase II Project following its approval by an Officer of Melco Resorts; and (ii) any information in respect of Phase II delivered to the creditors of any Financial Indebtedness incurred under clause (b)(i)(a)(y) of Section 4 (*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*) of Schedule 10 (*Covenants*) for the purposes of funding the Phase II Project.

22.9 Notification of default

(a) Each Obligor shall notify the Agent of any continuing Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two authorised signatories (one of whom is a director of the Parent) on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

(c) Each Obligor shall notify the Agent of the occurrence promptly upon becoming aware thereof of an event of default (however described) under or in respect of the High Yield Notes, the Additional High Yield Notes or, following any High Yield Note Refinancing or Additional High Yield Notes Refinancing, the high yield notes issued pursuant to the High Yield Note Refinancing or Additional High Yield Notes Refinancing (as the case may be) (unless that Obligor is aware that a notification has already been provided by another Obligor).

(d) Each Obligor shall notify the Agent of the occurrence promptly upon becoming aware thereof of an event of default (however described) under or in respect of any Pari Passu Debt Document (unless that Obligor is aware that a notification has already been provided by another Obligor).

22.10 "Know your customer" checks

(a) If:

(i) any existing law or regulation or the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Parent shall, by not less than 10 Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Guarantor pursuant to Clause 27 (*Changes to the Obligors*).

(d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Guarantor obliges the Agent or any Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

22.11 Unrestricted Subsidiaries

If any Subsidiaries of the Borrower have been designated as Unrestricted Subsidiaries, the information delivered under Clause 22.4 (*Financial statements*) will include reasonably detailed information as to the financial condition of the Group separate from that of the Unrestricted Subsidiaries.

23. General undertakings

The undertakings in this Clause 23 shall continue for so long as any amount is outstanding under the Finance Documents or any Revolving Commitment is in force.

23.1 Notes covenants

In addition to the undertakings set out below in this Clause 23, below, each Obligor shall (and the Parent shall ensure that each member of the Group will) comply with each of the covenants set out in Schedule 10 (*Covenants*).

23.2 Permits

Each Obligor shall promptly:

(a) when necessary obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) upon request by the Agent supply certified copies to the Agent of,

any Permit (including any amendments, supplements or other modifications thereto) and any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

(i) enable it to perform its obligations under the Transaction Documents;

(ii) ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document; and

(iii) enable it to own its assets and to carry on its business (including any assets owned and business conducted or proposed to be owned or conducted in connection with the Property),

where failure to obtain or comply with those Permits or Authorisations would reasonably be expected to have a Material Adverse Effect and shall promptly deliver to the Agent:

(A) any notice that any Governmental Authority may condition approval of, or any application for, any of those Permits or Authorisations held by it on terms and conditions that are materially burdensome to the Obligor, or to the operation of any of its businesses or any assets owned by it to the extent comprised in the Property, in each case in a manner not previously contemplated; and

(B) such other documents and information as from time to time may reasonably be requested by the Agent in relation to any of the matters referred to in this paragraph Clause 23.2.

23.3 Compliance with laws

Each Obligor shall comply in all respects with all Legal Requirements (where failure to do so has or would be reasonably expected to have a Material Adverse Effect) and its Constitutional Documents and will comply with (and conduct its business in compliance with) all applicable anti-money laundering, non-corruption, counter-terrorism financing, economic or trade sanctions laws and regulations in each case applicable to an Obligor (including, without limitation, each Anti-Terrorism Law), will not directly or indirectly use the proceeds of the Facilities in a manner which would breach any such laws and regulations and will maintain policies and procedures designed to promote and achieve compliance with such laws and regulations.

23.4 Environmental compliance

Each Obligor shall:

(a) comply in all material respects with all Environmental Laws applicable to it;

(b) obtain, maintain and ensure compliance in all material respects with all requisite Environmental Permits;

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has or would reasonably be expected to have a Material Adverse Effect.

23.5 Environmental claims

Each Obligor shall (through the Parent) inform the Agent in writing as soon as reasonably practicable upon its becoming aware of:

(a) any Environmental Claim that has commenced or been threatened against any member of the Group which is current, pending or threatened (including copies of any notices from any Governmental Authority of non compliance with any material Environmental Law or Environmental Permit to which the Property is subject and any other notices of Environmental Claims); or

(b) any facts or circumstances which results in or would reasonably be expected to result in any Environmental Claim being commenced or threatened against any member of the Group, in each case where such Environmental Claim has or would reasonably be expected, if determined against that member of the Group, to have a Material Adverse Effect.

23.6 Taxation

(a) Each Obligor shall duly and punctually pay and discharge all Taxes required to be paid by it when due within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are being maintained for those Taxes or other obligations and the costs required to contest them; and

(iii) such payment can be lawfully withheld and failure to pay those Taxes or other obligations does not have and would not reasonably be expected to have a Material Adverse Effect.

(b) No Obligor may change its residence for Tax purposes.

23.7 No substantial change to the general nature of the business of the Group

The Borrower shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on as at 9 November 2016.

23.8 Holding companies

None of the Parent, the Borrower shall trade, carry on any business or own any assets or incur any liabilities except for:

(a) (in the case of the Parent) ownership of shares in the Borrower and (in the case of the Borrower), ownership of shares in other Obligors;

(b) intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, Cash and Cash Equivalent Investments and Permitted Investments but only if those shares, credit balances, Cash and Cash Equivalent Investments and Permitted Investments are subject to the Transaction Security,

(c) making of intra-Group loans not otherwise restricted by this Agreement (including pursuant to Clause 23.1 (*Notes covenants*));

(d) the incurrence of intra-Group financial indebtedness not otherwise restricted by this Agreement (including pursuant to Clause 23.1 (*Notes covenants*));

(e) provisions of administrative, treasury, legal, accounting and similar services to the other Obligors;

(f) any liabilities under the Finance Documents, the High Yield Note Documents, and Additional High Yield Note Documents or the Pari Passu Debt Documents (and, following any High Yield Note Refinancing or Additional High Yield Note Refinancing (as the case may be), the documents or instruments relating thereto), in each case, to which it is a party and the performance of any obligation thereunder; and/or

(g) professional fees and administration costs in the ordinary course of business as a holding company.

23.9 Pari passu ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

23.10 Insurance

(a) Each Obligor shall maintain in full force and effect at all times insurances and reinsurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

(b) All such insurances and reinsurances must be with reputable independent insurance companies or underwriters.

23.11 Access

Each Obligor shall:

(a) keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Legal Requirements are made;

(b) subject to prior reasonable request and notice (but notice only where a Default is continuing), procure that the Agent, the Common Security Agent, accountants or other professional advisers or contractors of the Agent or the Common Security Agent be allowed reasonable rights of inspection and access during normal business hours to the Property and any other premises or assets of any member of the Group, to the Auditors and other senior officers of any member of the Group and to the books, accounts and records, and any other documents relating to the Property or any Obligor as they may reasonably require, and so as not unreasonably to interfere with their operations or those of any counterparty to Amended Land Concession or Gaming Subconcession, and to take copies of any documents inspected.

23.12 Intellectual Property

Each Obligor shall:

(a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the Obligor or Group member for or in connection with the Property; and

(b) in carrying on its business, not knowingly infringe any Intellectual Property of any third party, and shall prevent any infringement of the Intellectual Property required by it in connection with the Property;

(c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property necessary for its business in full force and effect and record its interest in that Intellectual Property;

(d) not use or permit the Intellectual Property necessary for or in connection with the Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may affect the existence or value of the Intellectual Property or imperil the right of any Obligor or member of the Group to use such property; and

(e) not discontinue the use of the Intellectual Property necessary for or in connection with the Property, where failure to do so, in the case of paragraphs (a) to (c) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, has or would reasonably be expected to have a Material Adverse Effect.

23.13 Hedging and Treasury Transactions

No Obligor shall enter into any Treasury Transaction, other than:

(a) interest rate and/or foreign exchange hedging arrangements entered into in the ordinary course of business and not for speculative purposes (including hedging in respect of actual or projected exposures in relation to the Facilities or any Pari Passu Debt Liabilities);

(b) spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes; and

(c) any Treasury Transaction entered into for the hedging of actual or projected real exposures arising in the ordinary course of trading activities of a member of the Group for a period of not more than 12 months and not for speculative purposes.

23.14 High Yield Note Documents

The Parent shall procure that none of the High Yield Note Documents and none of the Additional High Yield Note Documents and (following any High Yield Note Refinancing or Additional High Yield Note Refinancing) none of the documents or instruments relating to (or in respect of) any high yield notes issued pursuant to the High Yield Note Refinancing or Additional High Yield Note Refinancing (as the case may be) are amended, varied, novated, assigned, supplemented, superseded, waived or (other than in accordance with their terms) terminated in any respect without the prior written consent of the Agent (acting on, in the case of any amendment, variation, novation, assignment, supplement, supersession or waiver which relates to the manner of or mechanism for the release of the High Yield Note Guarantees or Additional High Yield Note Guarantees (or equivalent in connection with any applicable High Yield Note Refinancing or Additional High Yield Note Refinancing) (or the circumstances in which such release is permitted) (each, a "**HY Guarantee Matter**"), the instructions of all the Lenders and otherwise on the instructions of the Majority Lenders (acting reasonably)), save for any amendment, variation, novation, assignment, supplement, supersession or waiver which does not adversely affect the Security created under the Transaction Security Documents.

23.15 Notes Repurchase condition

(a) No member of the Group may make a legally binding commitment or offer for a Notes Repurchase unless:

(i) the aggregate outstanding principal amount of the Notes immediately following any Notes Repurchase is or would exceed 50 per cent. of the original principal amount of all components of the Notes on the issue or incurrence date of each component (each an "**Issue Date**"); or

(ii) the aggregate outstanding principal amount of the Notes immediately following any Notes Repurchase is or would be less than 50 per cent. of the sum of the original principal amount of all components of the Notes on each relevant Issue Date and:

(A) Revolving Facility Commitments are at the time of completion of the Notes Repurchase cancelled in the same proportion as (y) the amount by which the aggregate principal amount then outstanding of the Notes is less than 50 per cent. of the sum of the original principal amount of all components of the Notes on each relevant Issue Date bears to (z) 50 per cent. of the original aggregate principal amount of the Notes on each relevant Issue Date; and

(B) following such cancellation the Borrower promptly (and by no later than three (3) Business Days after such cancellation) makes such prepayment(s) of Revolving Facility Loans necessary to ensure that the Base Currency amount of all Revolving Facility Loans do not exceed the then Total Revolving Facility Commitments (less any Ancillary Commitments); or

(iii) such Notes Repurchase constitutes or is otherwise part of a permitted refinancing (including pursuant to a debt exchange, non-cash rollover or other similar or equivalent transaction); or

(iv) such Notes Repurchase is funded directly or indirectly by New Shareholder Injections, *provided* that no New Shareholder Injections funded directly or indirectly for such purpose shall be repaid prior to the Termination Date applicable to the Revolving Facility unless, at the same time as such repayment, the Revolving Facility Commitments are cancelled and the Revolving Facility Loans are prepaid in accordance with paragraph (ii) above; or

(v) such Notes Repurchase is made following the occurrence of a Change of Control to the extent that the obligations in paragraph (a) of Clause 9.2 (*Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event*) have been complied with; or

(vi) such Notes Repurchase is funded directly or indirectly with the proceeds of any Indebtedness (other than the proceeds of a Utilisation), so long as the incurrence of that Indebtedness is not prohibited by Schedule 10 (*Covenants*),

and in each case no Event of Default has occurred and is continuing nor would arise from such Notes Repurchase, in each case, at the time such member of the Group contracts to make such Notes Repurchase nor would arise from such Notes Repurchase.

(b) The Borrower shall procure that any Notes subject of a Notes Repurchase are, subject to the terms of the Notes, extinguished at the time of such Notes Repurchase unless it elects not to do so for the purpose of mitigating tax costs in the Group.

(c) In no circumstances will the Total Revolving Facility Commitments be required to be reduced below US$10,000,000 (or its equivalent) pursuant to this Clause 23.15 (and accordingly the restrictions set out in paragraphs (a) and (b) above (other than the requirement that no Event of Default shall have occurred or be continuing) shall then cease to apply).

23.16 Accounts

(a) No Obligor shall, or allow any other member of the Group to, deposit any amount to any Pari Passu Facility Debt Service Reserve Account or Pari Passu Notes Interest Accrual Account (each as defined in the Intercreditor Agreement) other than amounts that would be customary for an account substantially of that nature or as required by any Senior Secured Creditor pursuant to any Pari Passu Debt Document (each as defined in the Intercreditor Agreement) in line with market norms for substantially similar types of accounts.

(b) In the event that any Pari Passu Facility Debt Service Reserve Account or Pari Passu Notes Interest Accrual Account does not secure the Liabilities of the Obligors under the Finance Documents to the Finance Parties and the Secured Obligations that were secured by such account have been fully and finally discharged, the relevant Obligor in whose name the account is held shall (or the Parent shall procure that the relevant member of the Group will) as soon as reasonably practicable:

(i) deposit the amount standing to the credit of that account into an account subject to the Transaction Security securing the Liabilities of the Obligors under the Finance Documents to the Finance Parties and close that account; or

(ii) grant, in favour of the Common Security Agent, Security over that account in respect of the Secured Obligations,

provided that there shall be no restrictions on the withdrawals of any amount so deposited into any account subject to Security in accordance with paragraphs (i) or (ii) above and, subject to compliance with the other terms of the Finance Documents, there shall be no restrictions on the application of any such amount.

23.17 Release Condition

(a) In this Clause 23.17, "**Release Condition**" means (and shall be satisfied if):

(i) there are no Revolving Facility Loans outstanding;

(ii) the Revolving Facility Commitments have been cancelled in full and the Total Revolving Facility Commitments are nil; and

(iii) the amount standing to the credit of the Facility A Cash Collateral Account is not less than the Facility A Cash Collateral Minimum Balance.

(b) Notwithstanding anything to the contrary in this Agreement or any other Finance Document, during the period (if any) that the Release Condition is satisfied (and only during such period):

(i) the representations under (and including) Clause 21.11 (*No default*) to Clause 21.24 (*Labour disputes*) and Clause 21.26 (*Acting as principal*) shall not be deemed to be made by any Obligor pursuant to paragraphs (b) and (d) of Clause 21.1 (*Time when representations made*);

(ii) the following obligations and restrictions shall be suspended and shall not apply:

(A) the requirement to make mandatory prepayments under Clause 9.4 (*Notes Repurchases*) and Clause 9.5 (*Asset Sales*);

(B) the requirement to deliver financial statements as contemplated under Clause 22.4 (*Financial statements*) and the representation at paragraph (a) of Clause 21.14 (*Financial statements*) shall not be deemed to be made by any Obligor pursuant to paragraph (c) of Clause 21.1 (*Time when representations made*);

(C) and the requirement not to change its Finance Year-end under Clause 22.7 (*Year-end*);

(D) the requirement to supply information under Clause 22.8 (*Information: miscellaneous*) other than under paragraphs (f) and (g) of Clause 22.8 (*Information: miscellaneous*);

(E) the requirements and restrictions under Clause 23 (*General undertakings*) other than Clause 23.3 (*Compliance with laws*) and this Clause 23.17;

(iii) the following Events of Default will cease to apply:

(A) Clause 24.8 (*Unlawfulness or invalidity of Finance Document*) to the extent it relates to any Transaction Security (other than the Facility A Cash Collateral);

(B) Clause 24.10 (*Permits*);

(C) paragraph (a) of Clause 24.13 (*Repudiation or rescission of Finance Documents*) to the extent it relates to any Transaction Security (other than the Facility A Cash Collateral);

(D) paragraph (b) of Clause 24.13 (*Repudiation or rescission of Finance Documents*) other than with respect to the Intercreditor Agreement;

(E) Clause 24.14 (*Litigation*);

(F) Clause 24.15 (*Material adverse change*);

(G) Clause 24.16 (*Services and Right to Use Agreement*); and

(H) Clause 24.17 (*Melco Resorts Macau Notification*).

(c) If, at any time after the Release Condition has been satisfied, the Release Condition subsequently ceases to be satisfied, any breach of this Agreement or any other Finance Document that arises as a result of any of the obligations, restrictions or other terms referred to in paragraph (b) above ceasing to be suspended shall not (*provided* that it did not constitute a breach, Default or Event of Default at the time the relevant event or occurrence took place) constitute (or result in) a breach of any term of this Agreement or any other Finance Documents, a Default or an Event of Default.

24. Events of Default

Each of the events or circumstances set out in this Clause 24 (save for Clause 24.18 (*US bankruptcy of Obligors*) and Clause 24.19 (*Acceleration*)) is an Event of Default.

24.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document to which it is a party at the place at and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error or a Disruption Event and payment is made within three (3) Business Days of its due date.

24.2 Breach of other undertakings

(a) An Obligor or Grantor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (*Non-payment*) above).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 30 days of the Agent giving notice to the Borrower or relevant Obligor or Grantor or the Borrower, an Obligor or Grantor becoming aware of the failure to comply.

24.3 Misrepresentation

(a) Any representation or statement made or deemed to be made by an Obligor or Grantor in the Finance Documents to which it is a party or any other document delivered by or on behalf of any Obligor or Grantor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

(b) No Event of Default under paragraph (a) above will occur if the misrepresentation is capable of remedy and is remedied within 30 days of the Agent giving notice to the Borrower or relevant Obligor or Grantor or the Borrower, and Obligor or Grantor becoming aware of the misrepresentation.

24.4 Cross default

(a) Any Financial Indebtedness of any Obligor or other member of the Group is not paid when due nor within any applicable grace period.

(b) Any Financial Indebtedness of any Obligor or other member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any Obligor or other member of the Group is cancelled or suspended by a creditor of any Obligor or other member of the Group as a result of an event of default (however described).

(d) Any creditor of any Obligor or other member of the Group becomes entitled to declare any Financial Indebtedness (other than Intra-Group Liabilities) of any Obligor or other member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 24.4 if the aggregate amount of Financial Indebtedness or commitments for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US$15,000,000 (or its equivalent).

24.5 Insolvency

(a) A Grantor, an Obligor or other member of the Group is unable or admits inability to pay its debts as they fall due or is deemed or declared to be unable to pay its debts under applicable law or, by reason of actual or anticipated financial difficulties, suspends or threatens to suspend making payments on any of its debts or commences negotiations with one or more of its creditors generally (other than the Secured Parties (as defined in the Intercreditor Agreement) in such capacites) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of the Group (on a consolidated basis) is less than the liabilities of the Group (on a consolidated basis).

(c) A moratorium is declared in respect of any indebtedness of any Grantor, Obligor or other member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

24.6 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or formal step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Grantor, Obligor or other member of the Group;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Grantor, Obligor or other member of the Group;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Grantor, Obligor or other member of the Group or any of its assets (other than assets that are in any way part of a Joint Venture and which do not form part of, and are not otherwise necessary for the operation of, the Property); or

(iv) enforcement of any Security over any assets (other than assets that are in any way part of a Joint Venture and which do not form part of, and are not otherwise necessary for the operation of, the Property) of any Grantor, Obligor or other member of the Group,

or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) and Clause 24.18 (*US bankruptcy of Obligors*) below shall not apply to:

(i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised; or

(ii) any voluntary action, proceedings, step or procedure which relates to or constitutes any action, proceedings, step or procedure taken in connection with a transaction regulated but not prohibited by Section 13 (*Merger, Consolidation, or Sale of Assets*) of Schedule 10 (*Covenants*) pursuant to Clause 23.1 (*Notes covenants*).

24.7 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Obligor or other member of the Group (other than assets that are in any way part of a Joint Venture and which do not form part of, and are not otherwise necessary for the operation of, the Property) having an aggregate value of at least US$15,000,000 (or its equivalent) and is not discharged within (in the case of any process in a jurisdiction other than Macau SAR) 30 days and (in the case of any process in Macau SAR) 60 days.

24.8 Unlawfulness or invalidity of Finance Document

(a) It is or becomes unlawful for a Grantor, Obligor or any other member of the Group to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under the Intercreditor Agreement is or becomes unlawful.

(b) Any obligation or obligations of any Grantor, Obligor or any other member of the Group under any of the Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable.

(c) Any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created or expressed to be created under the Intercreditor Agreement (including the subordination of any Sponsor Group Loans and any Intra-Group Liabilities) is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

24.9 [Reserved]

24.10 Permits

(a) Any Obligor fails to observe, satisfy or perform, or there is a violation or breach of, any of the terms, provisions, agreements, covenants or conditions attaching to or under the issuance to such person of any Permit or any such Permit or any provision thereof is suspended, revoked, cancelled, terminated or materially and adversely modified or fails to be in full force and effect or any Governmental Authority challenges or seeks to revoke any such Permit if such failure to perform, violation, breach, suspension, revocation, cancellation, termination, modification, failure to be in full force and effect, challenge or seeking revocation would reasonably be expected to have a Material Adverse Effect.

(b) For the avoidance of doubt, paragraph (a) above does not apply in relation to any Permit required solely in respect of a Joint Venture or which is otherwise not required for, and is not otherwise necessary for the operation of, the Property.

24.11 Cessation of business

Any Obligor or other member of the Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business and such event has or would reasonably be expected to have a Material Adverse Effect.

24.12 Expropriation

The authority or ability of any Obligor or other member of the Group to (other than in respect of any business solely related to any Joint Venture or assets that relate to or are in any way part of any Joint Venture and which do not form part of, and are not otherwise necessary for the operation of, the Property) conduct its business or enjoy the use of all or any material part of its assets is wholly or substantially limited or curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action (including as a result of any change in (or in the interpretation, administration or application of), or the introduction of, any Legal Requirement) by or on behalf of any Governmental Authority or other person in relation to any member of the Group or any of its assets and, in the case of any such seizure, expropriation, intervention, restriction or other action which is capable of remedy, such seizure, expropriation, intervention, restriction or other action or the effects thereof, are not remedied, removed or stayed within 45 days of the occurrence of such seizure, expropriation, intervention, restriction or other action.

24.13 Repudiation or rescission of Finance Documents

(a) A Grantor, Obligor or other member of the Group (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

(b) Any party to any of the other Transaction Documents rescinds or purports to rescind or repudiates or purports to repudiate any of those Transaction Documents in whole or in part where (other than in the case of the Amended Land Concession or any Gaming Subconcession) to do so has or would, in the reasonable opinion of the Majority Lenders, have a Material Adverse Effect.

24.14 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations or proceedings are commenced or threatened in relation to a Transaction Document or the transactions contemplated in a Transaction Document or against any Obligor or other member of the Group or its assets which has or would reasonably be expected to have a Material Adverse Effect, other than such litigation, arbitration, administrative, governmental, regulatory or other investigations or proceedings which are frivolous or vexatious (and, in the case of any such proceedings commenced in any jurisdiction other than Macau SAR, which are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised).

24.15 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

24.16 Services and Right to Use Agreement

(a) Melco Resorts Macau suspends performance of its obligations under each of the Services and Right to Use Agreement and the Reimbursement Agreement for more than 7 days.

(b) The Services and Right to Use Agreement or the Reimbursement Agreement is terminated, becomes invalid or illegal or otherwise ceases to be in full force and effect prior to its stated termination.

24.17 Melco Resorts Macau Notification

Melco Resorts Macau notifies any Secured Party in writing of its intention to terminate the Services and Right to Use Agreement (whether or not any such notification has any effect on the "Funding Date" definition of the Services and Right to Use Agreement).

24.18 US bankruptcy of Obligors

Notwithstanding Clause 24.19 (*Acceleration*), if any Obligor commences a voluntary case concerning itself under the US Bankruptcy Code, or an involuntary case is commenced under the US Bankruptcy Code against any Obligor and the petition is not dismissed or stayed within forty five (45) days after commencement of the case, or a custodian (as defined in the US Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of any Obligor, or any order of relief or other order approving any such case or proceeding is entered, the Revolving Facility shall cease to be available to such Obligor, all obligations of such Obligor under Clause 20 (*Guarantee and indemnity*) or any other provision of this Agreement or any other Finance Document to which such Obligor is a party shall become immediately due and payable and such Obligor shall be required to provide cash cover for the full amount of each letter of credit issued for its account, in each case automatically and without any further action by any Party.

24.19 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

(a) cancel the Total Commitments, whereupon they shall immediately be cancelled;

(b) subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;

(c) subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, declare that all or part of the Utilisations be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;

(d) notify the Intercreditor Agent that an Event of Default has occurred and continuing and instruct the Intercreditor Agent or the Common Security Agent (through the Intercreditor Agent) to issue one or more Enforcement Notices; and/or

(e) exercise or direct the Intercreditor Agent or the Common Security Agent (through the Intercreditor Agent) to exercise any or all of its rights, remedies, powers or discretions under any of the Finance Documents and/or the High Yield Note Documents and/or (if the High Yield Note Refinancing has occurred) any document or instrument in respect of the high yield notes issued pursuant to the High Yield Note Refinancing and/or any document or instrument in respect of the high yield notes issued pursuant to the Additional High Yield Notes and/or (if the Additional High Yield Note Refinancing has occurred) pursuant to the Additional High Yield Note Refinancing (in each case, including, following the issue of an Enforcement Notice, any such rights, remedies, powers or discretions which first require the issue of such a notice).

SECTION 9
CHANGES TO PARTIES

25. Changes to the Lenders

25.1 Assignments and transfers by the Lenders

Subject to this Clause 25 and to Clause 26 (*Restriction on Debt Purchase Transactions*), a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under any Finance Document to a Permitted Transferee (in each case, the "**New Lender**").

25.2 Conditions of assignment or transfer

(a) Any Transfer by an Existing Lender of all or any part of its Commitment must:

(i) subject to paragraph (b) below, not be made or entered into without the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed);

(ii) if the Transfer is of a commitment or participation in the Revolving Facility, the New Lender has a rating of at least BBB by Standard & Poor's Rating Services (or an equivalent rating); and

(iii) in the case of a Transfer relating to the Revolving Facility, if the Transfer is only of part of (instead of all of) an Existing Lender's participation in respect of the Revolving Facility, immediately after such the Transfer:

(A) the amount of that Existing Lender's remaining Revolving Facility Commitments (when aggregated with its Affiliates' and Related Funds' Revolving Facility Commitments) is at least a minimum amount of HK$40,000,000; and

(B) the amount of that New Lender's Revolving Facility Commitments (when aggregated with its Affiliates' and Related Funds' Revolving Facility Commitments) is at least a minimum amount of HK$40,000,000.

(b) Notwithstanding paragraph (a)(i) above (and, for the avoidance of doubt, subject to paragraphs (a)(ii) and (iii) above), a Transfer entered into in respect of any Commitment or amount outstanding under this Agreement shall not require the prior written consent of the Borrower pursuant to paragraph (a)(i) above if:

(i) the Transfer is to another Lender or an Affiliate of a Lender;

(ii) if the Existing Lender is a fund, the Transfer is to, or the sub-participation is with, a fund which is a Related Fund of that Existing Lender;

(iii) an Event of Default has occurred and is continuing; or

(iv) the Transfer is of a Participation which is not a Voting Participation.

(c) The Borrower shall be deemed to have provided its written consent in accordance with paragraph (a) above if it has not responded to the relevant Existing Lender's request for such Transfer within 10 Business Days of such request having been made.

(d) A Transfer entered into in respect of any Commitment or amount outstanding under this Agreement shall in no circumstances (including pursuant to paragraph (b) above) be made to a Conflicted Lender without the prior written consent of the Borrower (in its sole discretion). If requested to do so by a Lender, the Borrower shall as soon as reasonably practicable (but allowing a reasonable period of time for the Borrower to satisfy itself) confirm to that Lender whether or not a potential New Lender identified to the Borrower is a Conflicted Lender.

(e) An assignment will only be effective if the procedure set out in Clause 25.6 (*Procedure for assignment*) is complied with and will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement and Lender Accession Undertaking or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;

(ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and

(iii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(f) A transfer will only be effective if the procedure set out in Clause 25.5 (*Procedure for transfer*) is complied with and the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement.

(g) An Existing Lender may not assign or transfer any or all of its rights or obligations under the Finance Documents or change its Facility Office if such assignment or transfer would give rise to a requirement to prepay any Loan (or any part thereof) or cancel any Commitment (or any part thereof) pursuant to Clause 8.1 (*Illegality*) in relation to the New Lender or such Existing Lender acting through the new Facility Office.

(h) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 15 (*Tax gross-up and indemnities*) or Clause 16 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(i) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement and Lender Accession Undertaking, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender

(j) If an Existing Lender assigns or transfers any of its rights or obligations under the Finance Documents to a New Lender, (A) such Existing Lender shall (unless agreed with such New Lender) bear its own fees, costs and expenses in connection with, or resulting from, such assignment or transfer (including any legal fees, taxes, notarial and security registration or perfection fees) and (B) no Obligor or any member of the Group will be required to pay to or for the account of such New Lender, or reimburse or indemnify such New Lender for, any fees, costs, Taxes, expenses, indemnity payments, Tax Payments, Increased Costs or other payments under a Finance Document in excess of what that Obligor would have been required to pay to such Existing Lender immediately prior to such transfer or assignment being effected, *provided that*, notwithstanding the foregoing:

(i) the Borrower shall pay such New Lender in full any amount expressed to be payable by it to such New Lender under Clause 19.4 (*Enforcement and preservation costs*); and

(ii) in respect of costs, fees and expenses only, the amount thereof payable or reimbursable shall be calculated by reference to the amount of such costs, fees and expenses which such Obligor is able to demonstrate it would have been required to pay to such Existing Lender immediately prior to such transfer or assignment being effected.

(k) The Agent shall, promptly upon request from the Borrower, provide to the Borrower information in reasonable detail regarding the identities and participations of each of the Lenders.

(l) An Existing Lender will enter into a Confidentiality Undertaking with any potential New Lender (that is not already a Lender) prior to providing such New Lender with any information about the Finance Documents or the Group. This Confidentiality Undertaking may be amended, if necessary, to ensure that it is capable of being relied upon by the Borrower without requiring its signature, and may not be materially amended without the consent of the Borrower. A copy of that Confidentiality Undertaking must be provided to the Borrower promptly after being entered into.

25.3 Assignment or transfer fee

Unless the Agent otherwise agrees and excluding an assignment or transfer (i) to an Affiliate of a Lender or (ii) to a Related Fund, the New Lender shall, on the date upon which an assignment, transfer or accession takes effect, pay to the Agent (for its own account) a fee of US$3,500 in respect of any New Lender.

25.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;

(ii) the financial condition or other circumstances of the Site or the Phase II Project, any Obligor or any other person;

(iii) the performance and observance by any Obligor or any other person of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial and other condition, circumstances and affairs of the Site and the Phase II Project, each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 25; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Transaction Documents or otherwise.

25.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar other checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Common Security Agent, the POA Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Common Security Agent, the POA Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

25.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement and Lender Accession Undertaking delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (d) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement and Lender Accession Undertaking appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement and Lender Accession Undertaking.

(b) The Agent shall only be obliged to execute an Assignment Agreement and Lender Accession Undertaking delivered to it by the Existing Lender and the New Lender upon its completion of all "know your customer" or other checks relating to any person that it is required to carry out in relation to the assignment to such New Lender.

(c) On the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement and Lender Accession Undertaking;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement and Lender Accession Undertaking (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 25.6 to assign their rights under the Finance Documents, *provided that* they comply with the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*).

(e) The procedure set out in this Clause 25.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.

25.7 Copy of assignments, transfer and accession documents to the Borrower and Parent

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement and Lender Accession Undertaking, send to the Borrower and the Parent a copy of that Transfer Certificate or Assignment Agreement and Lender Accession Undertaking.

25.8 Security interests over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 25, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or other Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

25.9 Exclusion of Agent's liability

In relation to any assignment or transfer pursuant to this Clause 25, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.

26. Restriction on Debt Purchase Transactions

26.1 Prohibition on Debt Purchase Transactions by the Group

The Parent and Borrower shall not and shall procure that each other member of the Group shall not may (i) enter into any Debt Purchase Transaction or (ii) beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of "Debt Purchase Transaction".

26.2 Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates

(a) For so long as a Sponsor Affiliate:

(i) beneficially owns a Commitment; or

(ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,

in ascertaining:

(A) the Majority Lenders; or

(B) whether:

(1) any given percentage (other than in relation to decisions requiring the consent of all of the Lenders) of the Total Commitments; or

(2) the agreement of any specified group of Lenders (other than in relation to decisions requiring the consent of all of the Lenders),

has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents,

such Commitment shall be deemed to be zero and such Sponsor Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purposes of paragraphs (A) and (B) above (unless in the case of a person not being a Sponsor Affiliate it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment), *provided that* such consent, waiver, amendment or other vote is not materially detrimental (in comparison to the other Lenders) to the rights and/or interests of that Sponsor Affiliate solely in its capacity as a Lender (and, for the avoidance of doubt, excluding its interests as a holder of equity in the Borrower (whether directly or indirectly)), and each Sponsor Affiliate upon becoming a Party expressly agrees and acknowledges that the operation of this Clause 26.2 shall not of itself be so detrimental to it in comparison to the other Lenders or otherwise; and

(b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Sponsor Affiliate (a "**Notifiable Debt Purchase Transaction**"), such notification to be substantially in the form set out in Part 1 of Schedule 8 (*Forms of Notifiable Debt Purchase Transaction Notice*). A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:

(i) is terminated; or

(ii) ceases to be with a Sponsor Affiliate,

such notification to be substantially in the form set out in Part 2 of Schedule 8 (*Forms of Notifiable Debt Purchase Transaction Notice*)).

(c) Each Sponsor Affiliate that is a Lender agrees that:

(i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Lenders, in each case, unless the Agent otherwise agrees or it relates to matters in which the Sponsor Affiliate is entitled to vote in accordance with this Clause 26.

27. Changes to the Obligors

27.1 Assignment and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

27.2 Additional Guarantors

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 22.10 ("*Know your customer*" *checks*), the Borrower may request that any of its wholly owned Subsidiaries become an Additional Guarantor.

(b) The Borrower shall procure that any other member of the Group shall, as soon as possible after becoming a member of the Group, become an Additional Guarantor and grant such Security as the Agent may require.

(c) A member of the Group shall become an Additional Guarantor if:

(i) the Borrower and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Letter; and

(ii) the Agent has received all of the documents and other evidence listed in Schedule 2 (*Conditions precedent required to be delivered by an Additional Guarantor*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

(d) The Agent shall notify the Borrower and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Schedule 2 (*Conditions precedent required to be delivered by an Additional Guarantor*).

(e) The Lenders authorise the Agent to give the notification described in paragraph (d) above. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

27.3 Repetition of representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (d) of Clause 21.1 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

27.4 Resignation of a Guarantor

(a) The Borrower may request that a Guarantor (other than the Parent or the Borrower) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if:

(i) that Guarantor is being (or shares or equity interests in that Guarantor are being) disposed of (directly or indirectly) by way of a sale or disposal or reorganisation where such sale or disposal or reorganisation is expressly permitted under this Agreement or any other Finance Document in circumstances where that Guarantor ceases to be a Group Member, and the Borrower has confirmed to the Agent and the Intercreditor Agent that this is the case; or

(ii) the Lenders have consented to the resignation of that Guarantor.

(b) Subject to clause 25.17 (*Resignation of a Debtor*) of the Intercreditor Agreement, the Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:

(i) no Event of Default is continuing or would result from that Guarantor ceasing to be a Guarantor (and the Borrower has confirmed to the Agent and the Intercreditor Agent that this is the case); and

(ii) no payment is due from that Guarantor under Clause 20.1 (*Guarantee and indemnity*).

(c) Subject to paragraph (d) below, upon notification by the agent to the Borrower and the Lender of its acceptance of the resignation of the Guarantor, that entity shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

(d) The resignation of that Guarantor shall not be effective until the date of the relevant sale or disposal or reorganisation.

SECTION 10
THE FINANCE PARTIES

28. Role of the Agent and others

28.1 Appointment of the Agent

(a) Each of the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

28.2 Instructions

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision and, otherwise, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above

(b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if applicable, the Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives those instructions or that clarification.

(c) Unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Common Security Agent and the POA Agent.

(d) The Agent may refrain from acting in accordance with any instructions of any Lender (or group of Lenders) until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

28.3 Duties of the Agent

(a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature. The Agent shall have no duties save as expressly provided under or in connection with any Finance Document.

(b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to Clause 25.7 (*Copy of assignments, transfer and accession documents to the Borrower and Parent*), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement and Lender Accession Undertaking or any Increase Confirmation.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, the Common Security Agent or the POA Agent) under this Agreement it shall promptly notify the other Finance Parties.

(g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied.

(h) The Agent shall provide to the Borrower promptly upon request by the Borrower (but no more frequently than once in any three month period), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

28.4 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Agent as a trustee or fiduciary of any other person.

(b) The Agent shall not be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

28.5 Business with the Group

The Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

28.6 Rights and discretions

(a) The Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked;

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate; and

(iv) rely on any statement made or purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 24 (*Events of Default*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders or any group of Lenders has not been exercised;

(iii) any notice or request made by the Borrower (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors; and

(iv) no Notifiable Debt Purchase Transaction:

(A) has been entered into;

(B) has been terminated; or

(C) has ceased to be with a Sponsor Affiliate.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(d) Without prejudice to the generality of paragraph (c) above, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.

(e) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for, any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Agent's gross negligence or wilful misconduct.

(f) Unless a Finance Document expressly provides otherwise, the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(g) Without prejudice to the generality of paragraph (f) above, the Agent:

(i) may disclose; and

(ii) on the written request of the Borrower or the Majority Lenders shall, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Borrower and the other Finance Parties.

(h) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(i) Notwithstanding any other provision of any Finance Document to the contrary, the Agent may not disclose to any Finance Party any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (a)(ii) of Clause 13.2 (*Market disruption*).

(j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

28.7 Responsibility for documentation

The Agent is and shall not be responsible for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security; or

(c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

28.8 No duty to monitor

(a) The Agent shall not be bound to enquire:

(i) whether or not any Default has occurred;

(ii) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(iii) whether any other event specified in any Finance Document has occurred.

28.9 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Transaction Security; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent to carry out (i) any "know your customer" or other checks in relation to any person or (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender, on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages

28.10 Lenders' indemnity to the Agent

(a) Each Lender shall (in the proportion that the Liabilities due to it bear to the aggregate of the Liabilities due to all the Lenders for the time being (or, if the Liabilities due to the Lenders are zero, immediately prior to their being reduced to zero)), indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 31.11 (*Disruption to payment systems, etc.*), notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document),

(b) If the Borrower is required to reimburse or indemnify any Lender for any payment that Lender makes to the Agent pursuant to paragraph (a) above in accordance with the Finance Documents, the Borrower shall, within 10 Business Days of demand in writing by the relevant Lender, indemnify such Lender for the amount of such payment actually made pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to an Obligor.

28.11 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates acting through an office in Hong Kong or Macau as successor by giving notice to the Lenders and the Borrower.

(b) Alternatively the Agent may resign by giving notice to the Lenders and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in Hong Kong or Macau).

(d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 28 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees

(e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(f) The Agent's resignation notice shall only take effect upon the appointment of a successor in accordance with the Finance Documents (including such successor's accession to the Intercreditor Agreement in the capacity as Agent).

(g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 17.3 (*Indemnity to the Agent*) and this Clause 28 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (b) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 15.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 15.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.

28.12 Replacement of the Agent

(a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in Hong Kong or Macau).

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent (or, if later, on its accession to the Intercreditor Agreement in the capacity as Agent). As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 17.3 (*Indemnity to the Agent*) and this Clause 28 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

28.13 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, the Agent shall not be obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

(d) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Borrower or any Affiliates of the Borrower on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.

28.14 Relationship with the Lenders

(a) The Agent may treat each person shown in its records as a Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information that the Intercreditor Agent or Common Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Intercreditor Agent or Common Security Agent (as applicable) to perform its functions as Intercreditor Agent or Common Security Agent (as applicable). Each Lender shall deal with the Intercreditor Agent and the Common Security Agent exclusively through the Agent and shall not deal directly with the Intercreditor Agent or the Common Security Agent.

(c) Each Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 33.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 33.2 (*Addresses*) and paragraph (a)(ii) of Clause 33.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

28.15 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security or the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(d) the adequacy, accuracy and/or completeness any information provided by the Agent, the Common Security Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

28.16 Reference Banks

The Agent may at any time and from time to time (in consultation with the Borrower) appoint any Lender or an Affiliate of a Lender to replace any Reference Bank that is not (or which is not an Affiliate of) a Lender.

28.17 Agent's management time

(a) Any amount payable to the Agent under Clause 17.3 (*Indemnity to the Agent*), Clause 19 (*Costs and expenses*) and Clause 28.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 14 (*Fees*).

(b) Any cost of utilising the Agent's management time or other resources shall include, without limitation, any such costs in connection with Clause 26.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*).

28.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28.19 Reliance and engagement letters

Each Finance Party and Secured Party confirms that the Agent has authority to accept on its behalf and ratifies the acceptance on its behalf of any letters or reports already accepted by the Agent, the terms of any reliance letter or engagement letters relating to any reports or letters provided by any advisers in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

28.20 Saving provision

Notwithstanding anything expressly stated in or omitted from this Agreement, all residual rights and obligations (including in respect of any contingent liabilities) under any Finance Document of any person that was a Party to this Agreement in its capacity as Bookrunner Mandated Lead Arranger, Mandated Lead Arranger, Arranger, Senior Manager or Manager and which rights were not terminated, released, relinquished or otherwise did not expire on or before the 2016 Amendment and Restatement Effective Date (whether pursuant to the transactions contemplated in connection with the 2016 Amendment and Restatement Agreement or otherwise) continue and, as may be necessary, such person may rely on this Clause 28.20 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

29. Conduct of business by the Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim;

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax; or

(d) oblige any Finance Party to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any applicable anti-money laundering, economic or trade sanctions laws or regulations.

30. Sharing among the Finance Parties

30.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 31 (*Payment mechanics*) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 31 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 31.6 (*Partial payments*).

30.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 31.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

30.3 Recovering Finance Party's rights

(a) On a distribution by the Agent under Clause 30.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

30.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 30.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and

(b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

30.5 Exceptions

(a) This Clause 30 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Finance Party of the legal or arbitration proceedings; and

(ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11
ADMINISTRATION

31. Payment mechanics

31.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date or such other date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) In the case of payments to be made in Patacas, Hong Kong dollars or US dollars, payment shall be made to such account in the Macau SAR (or, if specified by way of written notice to the Parent and the Lenders by any successor to the Agent on or about the time of its becoming Agent, such other location as it shall select (acting reasonably)) with such bank as the Agent specifies.

(c) In the case of payments to be made in any other currency, payment shall be made to such account in the principal financial centre of the country of that currency (or, if specified by way of written notice to the Parent and the Lenders by any successor to the Agent on or about the time of its becoming Agent, such other location as it shall select (acting reasonably)) with such bank as the Agent specifies.

31.2 Distributions by the Agent

(a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 31.3 (*Distributions to an Obligor*) and Clause 31.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (which, in the case of Hong Kong dollars is Hong Kong).

(b) The Agent shall distribute payments received by it in relation to all or any part of a Loan to the Lender indicated in the records of the Agent as being so entitled on that date, *provided that* the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 25 (*Changes to the Lenders*) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

31.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 32 (*Set off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

31.4 Clawback

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrower:

(i) the Agent shall notify the Borrower of that Lender's identity and the Borrower shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so in circumstances where the Borrower had requested that the Agent make available amounts for the account of the Borrower before receiving funds from the Lenders only, the Borrower, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

31.5 Impaired Agent

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 31.1 (*Payments to the Agent*) may instead either:

(i) pay that amount direct to the required recipient(s); or

(ii) if, in its absolute discretion, it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**").

In each case such payments must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or Recipient Parties *pro rata* to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 31.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 28.12 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the Recipient Party or Recipient Parties in accordance with Clause 31.2 (*Distributions by the Agent*).

(e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent that:

(i) that it has not given an instruction pursuant to paragraph (d) above; and

(ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

31.6 Partial payments

(a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:

(i) *firstly*, following the delivery of an Enforcement Notice, in payment of all costs and expenses incurred by or on behalf of the Agent, the Common Security Agent, the POA Agent or the Intercreditor Agent in connection with such enforcement or recovery and which have been certified, in writing, as having been incurred by the Agent, the Common Security Agent, the POA Agent or the Intercreditor Agent;

(ii) *secondly*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent, the Common Security Agent, the POA Agent and the Intercreditor Agent under those Finance Documents;

(iii) *thirdly*, in payment *pro rata* of all amounts paid by any Secured Party under Clause 28.10 (*Lenders' indemnity to the Agent*) but which have not been reimbursed by the Borrower;

(iv) *fourthly*, in or towards payment *pro rata* of all accrued interest, costs, fees and expenses due and payable to the Lenders under the Finance Documents;

(v) *fifthly*, in or towards payment *pro rata* of:

(A) subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, any principal due and payable under the Term Loan Facility to the extent due and payable to the Lenders; and

(B) any principal due but unpaid under the Revolving Facility; and

(vi) *sixthly*, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) Subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, the Agent shall, if so directed by the Lenders, vary the order set out in paragraphs (a)(iii) to (vi) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

31.7 No set off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set off or counterclaim.

31.8 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

31.9 Currency of account

(a) Subject to paragraphs (b) to (e) below, HK dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than HK dollars shall be paid in that other currency.

31.10 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31.11 Disruption to payment systems, etc.

If the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 37 (*Amendments and waivers*);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 31.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

32. Set off

Subject to the terms of Clause 30 (*Sharing among the Finance Parties*), a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

33. Notices

33.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

33.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Borrower and each other Obligor that is a Party as at the 2016 Amendment and Restatement Date, that identified with its name in the signing pages to the Intercreditor Agreement;

(b) in the case of the Original Lender and the Agent, that identified with its name in the signing pages to the Intercreditor Agreement;

(c) in the case of the Common Security Agent and the POA Agent, that identified with its name in the signing pages to the Intercreditor Agreement; and

(d) in the case of each other Lender and each other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than 10 Business Days' notice.

33.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 33.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent, the POA Agent or the Common Security Agent will be effective only when actually received by the Agent, the POA Agent or Common Security Agent (as applicable) and then only if it is expressly marked for the attention of the department or officer identified with the Agent's, POA Agent's or Common Security Agent's signature in the 2021 Amendment and Restatement Agreement or Intercreditor Agreement (as applicable) (or any substitute department or officer as the Agent, the POA Agent or Common Security Agent (as applicable) shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Borrower in accordance with this Clause 33.3 will be deemed to have been made or delivered to each of the Obligors.

33.4 Notification of address and fax number

Promptly upon changing its own address or fax number, the Agent shall notify the other Parties.

33.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

33.6 Electronic communication

(a) Any communication to be made between the Agent, the POA Agent or the Common Security Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, the POA Agent, the Common Security Agent (as applicable) and the relevant Lender:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender, the POA Agent or the Common Security Agent will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent, the POA Agent or the Common Security Agent only if it is addressed in such a manner as the Agent, the POA Agent or Common Security Agent (as applicable) shall specify for this purpose.

(c) Notwithstanding the foregoing, each Party hereto agrees that the Agent may make information, documents and other materials that any Obligor is obligated to furnish to the Agent pursuant to the Finance Documents (together, "**Communications**") available to any Finance Party by posting the Communications on IntraLinks or another relevant website, if any, to which such Finance Party has access (whether a commercial, third-party website or whether sponsored by the Agent) (the "**Platform**"). Nothing in this Clause 33.6 shall prejudice the right of the Agent to make the Communications available to any Finance Party in any other manner specified in this Agreement or any other Finance Documents.

(d) Each Finance Party agrees that e-mail notice to it (at the address provided pursuant to the next sentence and deemed delivered as provided in the next paragraph) specifying that Communications have been posted to the Platform shall constitute effective delivery of such Communications to such Finance Party for purposes of this Agreement and the other Finance Documents. Each Finance Party agrees:

(i) to notify the Agent in writing (including by electronic communication) from time to time to ensure that the Agent has on record an effective e-mail address for such Finance Party to which the foregoing notice may be sent by electronic transmission; and

(ii) that the foregoing notice may be sent to such e-mail address.

(e) Notwithstanding paragraph (f) below, each Party hereto agrees that any electronic communication referred to in this Clause 33.6 shall be deemed delivered upon the posting of a record of such communication (properly addressed to such party at the e-mail address provided to the Agent) as "sent" in the e-mail system of the sending party or, in the case of any such communication to the Agent, upon the posting of a record of such communication as "received" in the e-mail system of the Agent; *provided that* if such communication is not so received by a Finance Party in the place of receipt on a Business day or is not so received by a Finance Party on before 5.00 pm in the place of receipt on a Business Day, such communication shall be deemed delivered at the opening of business on the next Business Day for that Finance Party.

(f) Each Party hereto acknowledges that:

(i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution;

(ii) the Communications and the Platform are provided "as is" and "as available";

(iii) none of the Agent, its affiliates nor any of their respective officers, directors, employees, agents, advisors or representatives (collectively, the "**Agency Parties**") warrants the adequacy, accuracy or completeness of the Communications or the Platform, and each Agency Party expressly disclaims liability for errors or omissions in any Communications or the Platform; and

(iv) no representation or warranty of any kind, express, implied or statutory, including any representation or warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agency Party in connection with any Communications or the Platform.

(g) Each Obligor hereby acknowledges that from time to time certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to MPEL, any of its Subsidiaries or their respective securities) (each, a "**Public Lender**"). Each Obligor hereby agrees that:

(i) Communications that are to be made available on the Platform to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof;

(ii) by marking Communications "PUBLIC," each Obligor shall be deemed to have authorised the Finance Parties to treat such Communications as either publicly available information or not-material information (although it may be sensitive and proprietary) with respect to MPEL, any of its Subsidiaries or their respective securities for purposes of US federal and state securities laws;

(iii) all Communications marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Lender"; and

(iv) the Agent shall be entitled to treat any Communications that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Lender".

33.7 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document or is required by law to be in one of the Macau SAR official languages (Chinese or Portuguese) and/or is to be filed with any Macau SAR Governmental Authority, in which case a Chinese or Portuguese version (as applicable) shall prevail.

34. Calculations and certificates

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

34.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

34.4 Personal liability

No director, officer, employee or other individual acting (or purporting to act) on behalf of the Parent, any member of the Group (or any Affiliate of a member of the Group) shall be personally liable for:

(a) any representation, certification or statement made or deemed to be made by him or her, the Parent or any other member of the Group in any Finance Document; or

(b) any certificate, notice or other document required to be delivered under, or in connection with, any Finance Document, whether or not signed by that director, officer, employee or other individual,

where such representation, certification, statement, certificate, notice or other document proves to be incorrect or misleading, unless that individual acted fraudulently, recklessly or with an intention to mislead, in which case any liability will be determined in accordance with applicable law. Any director, officer, employee or other individual to whom this Clause 34.4 is expressed to apply may rely on this Clause 34.4, subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

35. Partial invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36. Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party or Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

37. Amendments and waivers

37.1 Intercreditor Agreement

This Clause 37 is subject to the terms of the Intercreditor Agreement.

37.2 Required consents

(a) Subject to Clause 37.3 (*Exceptions*) and paragraphs (b) and (d) below, any term of the Finance Documents (other than the Mandate Documents and the Fee Letters) may be amended or waived only with the consent of the Majority Lenders and the Parent and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party:

(i) any amendment or waiver or enter into any document or do any other act or thing permitted by this Clause 37 and any other provision of the Finance Documents; and

(ii) pursuant to paragraph (a) of Clause 28.2 (*Instructions*), any amendment or waiver of, or in respect of, such matters as it determines to be of a minor technical or administrative nature or of a non-credit related nature or to correct a manifest error.

(c) Without prejudice to the generality of paragraphs (c) and (d) of Clause 28.6 (*Rights and discretions*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver of consent under the Finance Documents.

(d) Each Obligor agrees to any such amendment or waiver permitted by this Clause 37 which is agreed to by the Parent, including any amendment or waiver which would, but for this paragraph (d), require the consent of all of the Guarantors.

37.3 Exceptions

(a) An amendment, consent or waiver that has the effect of changing or which relates to:

(i) the definition of "Change of Control", "Concession Expiry", "Land Concession Termination" or "Majority Lenders" in Clause 1.1 (*Definitions*), Clause 9.1 (*Definitions*) and Schedule 11 (*Definitions*);

(ii) an extension to the date of payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) a change in currency of payment of any amount under the Finance Documents;

(v) an increase in or an extension of any Commitment or the Total Commitments;

(vi) a change to the Borrower;

(vii) a change to the Guarantors, other than in accordance with Clause 27 (*Changes to the Obligors*);

(viii) any provision which expressly requires the consent of all the Lenders;

(ix) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 8.1 (*Illegality*), Clause 9 (*Mandatory prepayment*) (save for an amendment, waiver or other exercise of any right, power or discretion in respect of Clause 10 (*Restrictions*)), Clause 25 (*Changes to the Lenders*), Clause 30 (*Sharing among the Finance Parties*), Clause 31.6 (*Partial payments*) or this Clause 37;

(x) the nature or scope of the guarantee and indemnity granted under Clause 20 (*Guarantee and indemnity*);

(xi) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed (except in each case insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);

(xii) the release of any guarantee and indemnity granted under Clause 20 (*Guarantee and indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal or reorganisation of an asset which is the subject of the Transaction Security where such sale or disposal or reorganisation is expressly permitted under this Agreement or any other Finance Document;

(xiii) any requirement that a cancellation of Commitments (in respect of any Facility) reduces the Commitments of the Lenders (in respect of such Facility) rateably;

(xiv) a change to the governing law or jurisdiction provisions of any Finance Document;

(xv) any amendment to the order of priority or subordination under the Intercreditor Agreement or the manner in which the proceeds of enforcement of the Transaction Security are to be distributed; or

(xvi) any amendment to Clause 23.14,

shall not be made without the prior consent of all the Lenders.

(b) The Transaction Security Documents may be amended, varied, waived or modified with the agreement of the relevant Obligor or Security Provider and the Common Security Agent (acting in accordance with the Intercreditor Agreement).

(c) An amendment or waiver which relates to the rights or obligations of the Agent, the POA Agent, any Ancillary Lender or the Common Security Agent may not be effected without the consent of the Agent, the POA Agent, that Ancillary Lender or the Common Security Agent (as applicable).

(d) Any amendment or waiver which:

(i) relates only to the rights or obligations applicable to a particular class of Lender(s) or group of Lenders; and

(ii) would not reasonably be expected to materially and adversely affect the rights or interests of Lenders in respect of another class or group of Lender(s),

may be made in accordance with this Clause 37 but as if references in this Clause 37 to the specified proportion of Lenders (including, for the avoidance of doubt, all the Lenders) whose consent would, but for this paragraph (d), be required for that amendment or waiver were to that proportion of the Lenders participating in forming part of that particular class.

(e) An amendment, consent or waiver which relates to a prepayment to a Lender which is required under Clause 8.1 (*Illegality*) or paragraph (a) of Clause 9.2 (*Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event*) shall only require the consent of the Borrower and the Lender to which that amount has become payable under such provision.

37.4 Disenfranchisement of Conflicted Lenders, Defaulting Lenders and Non-Responding Lenders

(a) In ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or Total Revolving Credit Facility Commitments and/or participations in the Facility A Loan has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, the Commitments and participations of any Conflicted Lender, any Defaulting Lender or any Non-Responding Lender will be deemed to be zero and its status as a Lender ignored.

(b) For the purposes of this Clause 37.4, the Agent may assume that the following Lenders are Conflicted Lenders or Defaulting Lenders (as applicable):

(i) any Lender which has notified the Agent that it has become a Conflicted Lender or Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender",

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Conflicted Lender or a Defaulting Lender.

37.5 Replaceable Lenders

Subject to clause 3.2 (*Rolled Loan – restrictions*) of the Intercreditor Agreement, if at any time a Lender has become and continues to be a Replaceable Lender, the Borrower may by giving 10 Business Days' prior written notice to the Agent and such Lender:

(a) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (other than a member of the Group) (a "**Replacement Lender**") selected by the Borrower which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender in accordance with Clause 25 (*Changes to the Lenders*) (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and Break Costs and other amounts payable in relation thereto under the Finance Documents (without other premium or penalty); or

(b) (in the case of any Replaceable Lender other than an Illegal Lender) give the Agent notice of the cancellation of the Commitment(s) of that Replaceable Lender and its intention to procure the prepayment of that Replaceable Lender's participation in the Revolving Facility Loan(s) (a "**Cancellation Notice**") subject to the payment of any fees, costs, expenses then due and payable under the Finance Documents to that Replaceable Lender, provided that such Cancellation Notice is note delivered to the Agent later than 60 days after the date on which the Borrower first became aware that such Lender become a Replaceable Lender.

37.6 Conditions of replacement of a Replaceable Lender

(a) Any transfer of rights and obligations of a Replaceable Lender pursuant to paragraph (a) of Clause 37.5 (*Replaceable Lenders*) shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent, Common Security Agent or the POA Agent;

(ii) neither the Agent nor the Replaceable Lender shall have any obligation to the Borrower to find a Replacement Lender;

(iii) the transfer must take place no later than 60 days after the date on which the Borrower first became aware that such Lender become a Replaceable Lender;

(iv) in no event shall the Replaceable Lender be required to pay or surrender to the Replacement Lender any of the fees received by such Replaceable Lender pursuant to the Finance Documents;

(v) the Replaceable Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) of Clause 37.5 (*Replaceable Lenders*) once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

(b) The Replaceable Lender shall perform the checks described in paragraph (a)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) of Clause 37.5 (*Replaceable Lenders*) and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

37.7 Cancellation and repayment of a Replaceable Lender (other than an Illegal Lender)

In the case where the Borrower gives a Cancellation Notice in respect of a Replacement Lender pursuant to paragraph (b) of Clause 37.5 (*Replaceable Lenders*):

(a) upon such Cancellation Notice becoming effective (as specified in such Cancellation Notice), the Commitment of that Replaceable Lender in respect of each Facility shall immediately be reduced to zero, *provided that* the Total Commitments may (at the Borrower's option) be simultaneously with or subsequent to that cancellation be increased in accordance with Clause 2.2 (*Increase*); and

(b) to the extent that such Replaceable Lender's participation in a Utilisation has not been transferred pursuant to paragraph (a) of Clause 37.5 (*Replaceable Lenders*), the Borrower shall, on the last day of the first Interest Period (relating to such Revolving Facility Loan(s)) which ends after the Borrower delivered such Cancellation Notice (or, if earlier, the date specified by the Borrower in that Cancellation Notice) repay that Replaceable Lender's participation in such Revolving Facility Loan(s) together with all interest thereon and other amounts accrued under the Finance Documents in relation thereto (together with Break Costs and other amounts payable),

provided that any such repayment may only be funded with amounts that could, at the time of such repayment (and on a *pro forma* basis as if such payment were a Restricted Payment), be paid as a Restricted Payment in accordance with Section 2 (*Limitation on Restricted Payments*) of Schedule 10 (*Covenants*) pursuant to Clause 23.1 (*Notes covenants*).

38. Disclosure of information

38.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 38.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

38.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates, head office and any other branch and Related Funds and any of its or their officers, directors, employees, professional advisers, Representatives and (unless it relates to any Services and Right to Use Agreement Confidential Information) auditors such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of (x) its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information and (y) in the case of any Services and Right to Use Agreement Confidential Information, that the Borrower Group is subject to a duty of confidentiality to the government and/or the relevant public regulatory authorities of the Macau SAR;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or succeeds (or which may potentially succeed) it as Agent or Common Security Agent or POA Agent, and in each case, to any of that person's Affiliates, head office and any other branch, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom sub paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 28.14 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) or (ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 25.8 (*Security interests over Lenders' rights*);

(viii) who is a Party; or

(ix) with the prior written consent of the Borrower, in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (ii) and (iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs (b)(v), (vi) and (vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party;

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of (x) its confidential nature and that some or all of such Confidential Information may be price-sensitive information and (y) in the case of any Services and Right to Use Agreement Confidential Information, that the Group is subject to a duty of confidentiality to the government and/or the relevant public regulatory authorities of the Macau SAR; and

(e) to the International Swaps and Derivatives Association, Inc. ("ISDA") or any Credit Derivatives Determination Committee or sub-committee of ISDA where such disclosure is required by them in order to determine whether the obligations under the Finance Documents will be, or in order for the obligations under the Finance Documents to become, deliverable under a credit derivative transaction or other credit linked transaction which incorporates the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement or other provisions substantially equivalent thereto if ISDA is informed of (x) its confidential nature and that some or all of such Confidential Information may be price-sensitive information and (y) in the case of any Services and Right to Use Agreement Confidential Information, that the Borrower Group is subject to a duty of confidentiality to the government and/or the relevant public regulatory authorities of the Macau SAR.

38.3 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) Clause 41 (Governing Law):

(vi) the name of the Agent;

(vii) date of each amendment and restatement of this Agreement;

(viii) amounts of, and names of, the Facilities (and any tranches):

(ix) amount of Total Commitments;

(x) currencies of the Facilities;

(xi) type of Facilities;

(xii) ranking of Facilities;

(xiii) Termination Date for Facilities;

(xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and

(xv) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Borrower represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify the Borrower and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

38.4 Entire agreement

This Clause 38 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

38.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

38.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 38.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 38.

38.7 Continuing obligations

The obligations in this Clause 38 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

38.8 Tax Disclosure

Notwithstanding any of the provisions of the Finance Documents, the Obligors and the Finance Parties hereby agree that each Party and each employee, representative or other agent of each Party may disclose to any and all persons, without limitation of any kind, the "tax structure" and "tax treatment" (in each case within the meaning of the U.S. Treasury Regulation Section 1.6011-4) of the Facility and any materials of any kind (including opinions or other tax analyses) that are provided to any of the foregoing relating to such tax structure and tax treatment to the extent, but only to the extent, necessary for the transaction to avoid being considered a confidential transaction for purposes of U.S. Treasury Regulation section 1.6011-4(b)(3).

39. Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

40. USA Patriot Act

Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Lender is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

41. Governing law

41.1 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

41.2 Schedule 10 (*Covenants*) and Schedule 11 (*Definitions*)

Without prejudice to Clause 41.1 (*Governing law*), the Parties agree that Schedule 10 (*Covenants*) and Schedule 11 (*Definitions*) shall be construed in accordance with New York law.

42. Enforcement

42.1 Jurisdiction of English courts

(a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 42.1 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

42.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor:

(i) irrevocably appoints Law Debenture Corporate Service Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrower (on behalf of all the Obligors) must immediately (and in any event within three (3) Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

Original Parties

Part 1

Original Facility A Lender

Name of Original Facility A Lender	Facility A Participation (HK$)
Bank of China Limited, Macau Branch	1,000,000
Total	1,000,000

Part 2

Original Revolving Facility Lender

Name of Original Revolving Facility Lender	Revolving Facility Commitment (HK$)
Bank of China Limited, Macau Branch	233,000,000
Total	233,000,000

Part 3

Original Guarantors

Original Guarantor	Jurisdiction of incorporation	Registration Number (or equivalent)
Studio City Investments Limited	British Virgin Islands	1673083
Studio City Holdings Two Limited	British Virgin Islands	402572
Studio City Holdings Three Limited	British Virgin Islands	1746781
Studio City Holdings Four Limited	British Virgin Islands	1746782
SCP Holdings Limited	British Virgin Islands	1697577
SCP One Limited	British Virgin Islands	1697795
SCP Two Limited	British Virgin Islands	1697797
SCIP Holdings Limited	British Virgin Islands	1789810
Studio City Entertainment Limited	Macau SAR	27610
Studio City Services Limited	Macau SAR	40053
Studio City Hotels Limited	Macau SAR	41334
Studio City Hospitality and Services Limited	Macau SAR	40168
Studio City Developments Limited	Macau SAR	14311
Studio City Retail Services Limited	Macau SAR	45208

Schedule 2

Conditions precedent required to be delivered by an Additional Guarantor

1. An Accession Letter executed by the Additional Guarantor and the Borrower.

2. A copy of the Constitutional Documents of the Additional Guarantor.

3. In the case of any Additional Guarantor who is a US Person, a copy of a good standing certificate (including verification of tax status) or equivalent with respect to the Additional Guarantor, issued as of a recent date by the Secretary of State or other relevant State or other Governmental Authority.

4. A copy of a resolution of the board of directors or sole director of the Additional Guarantor:

   (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Accession Letter and any other Transaction Documents to which it is a party;

   (b) authorising a specified person or persons to execute the Accession Letter and other Transaction Documents on its behalf; and

   (c) authorising the Borrower to act as its agent in connection with the Finance Documents.

5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 4 above.

6. A copy of a resolution signed by all the holders of the issued shares in each Additional Guarantor, approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party.

7. A certificate of the Additional Guarantor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments or the entry into or performance under any of the Transaction Documents to which it is a party would not cause any borrowing, guarantee, security or similar limit or any other Legal Requirement binding on it to be exceeded.

8. A certificate of an authorised signatory of the Additional Guarantor certifying that each document, copy document and other evidence listed in this Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Letter.

9. The following legal opinions:

   (a) A legal opinion of the legal advisers to the Agent and the Common Security Agent, as to English law.

   (b) If the Additional Guarantor is incorporated in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent and the Common Security Agent in each of those jurisdictions.

10. Evidence that the agent for service of process specified in Clause 42.2 (*Service of process*) has accepted its appointment in relation to the proposed Additional Guarantor.

11. Any Transaction Security Documents which are required by the Agent to be executed by the proposed Additional Guarantor (and which are in form and substance substantially equivalent to those entered into by the existing Obligors).

12. Any notices, requests for undertakings or other documents required to be given or executed under the terms of those Transaction Security Documents, together with, where relevant, their due acknowledgement and agreement by the addressee or any other person expressed to be a party thereto.

13. Evidence that promptly after the execution of any Transaction Security Document by a company incorporated in the British Virgin Islands (a "**BVI Company**"), such BVI Company has instructed (i) its registered agent in the British Virgin Islands to create and maintain a Register of Charges that complies with the BVI Business Companies Act (as amended) (the "**BBCA**"), (ii) to enter particulars of the security created pursuant to such Transaction Security Document in such Register of Charges, and (iii) its registered agent to effect registration of such Transaction Security Document at the Registry pursuant to Section 163 of the BBCA.

14. Evidence that within 10 Business Days after the date of execution of any relevant Transaction Security Documents relating to shares in a BVI Company, (i) a notation of the security created by such Transaction Security Document has been made in the relevant Register of Members of such BVI Company pursuant to section 66(8) of the BBCA and (ii) a copy of such annotated Register of Members has been filed with the Registry.

15. A certified copy of each of the Registers of Members referred to and as annotated as set out in paragraph 14 above.

Schedule 3

Requests and notices

Part 1

Utilisation Request

Revolving Facility

From: Studio City Company Limited as Borrower

To: [*Agent*]

Date:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Revolving Facility Loan on the following terms:

Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)
Currency of Loan:	HK dollars
Amount:	[•] or, if less, the Available Facility
Interest Period:	[•]
Purpose:	[•]

3. We confirm that:

   (a) the purpose specified above complies with the permitted use of the Revolving Facility under the Facilities Agreement and the restrictions set out in of Clause 5.5 (*Limitations on Utilisations*) of the Facilities Agreement and no part of the Loan will be applied otherwise than in accordance with such purpose; and

   (b) each condition specified in Clause 4.1 (*Utilisation conditions precedent*) is satisfied on the date of this Utilisation Request.

4. [This Revolving Facility Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Revolving Facility Loan*].]/[The proceeds of this Loan should be credited to [*account*]].

5. This Utilisation Request is irrevocable.

Yours faithfully

_____

authorised signatory
for and on behalf of
Studio City Company Limited

Part 2

Selection Notice

From: Studio City Company Limited as Borrower

To: [*Agent*]

Date:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. The current Interest Period for the Facility A Loan will end on [•].

3. We request that the next Interest Period for the Facility A Loan is [•].

4. This Selection Notice is irrevocable.

Yours faithfully

_____

authorised signatory
for and on behalf of
Studio City Company Limited

Schedule 4

Form of Transfer Certificate

To: [•] as Agent and [•] as Intercreditor Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purpose of the Facilities Agreement and as a Creditor/Creditor Representative Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in or construed for the purposes of the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 25.5 (*Procedure for transfer*) of the Facilities Agreement:

   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment(s) and/or all or part of the Existing Lender's participation(s) in Loan(s), rights and obligations referred to in the Schedule in accordance with Clause 25.5 (*Procedure for transfer*).

   (b) The Existing Lender transfers to the New Lender all the rights of the Existing Lender under the Onshore Security Documents and in respect of the Transaction Security created or expressed to be created thereunder which correspond to that portion of the Existing Lender's Commitment, rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.

   (c) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment, rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.

   (d) The proposed Transfer Date is [•].

   (e) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.

3. The New Lender expressly acknowledges:

   (a) the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.4 (*Limitation of responsibility of Existing Lenders*); and

   (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.

4. The New Lender confirms that it is a "New Lender" within the meaning of Clause 25.1 (*Assignments and transfers by the Lenders*).

5. The New Lender confirms that it [is]/[is not] a Sponsor Affiliate.

6. We refer to clauses 25.5 (*Change of Credit Facility Lender or Pari Passu Lender under an Existing Credit Facility or Pari Passu Facility*) and 25.14 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement:

   In consideration of the New Lender being accepted as a Credit Facility Lender (as defined in the Intercreditor Agreement) for the purposes of the Intercreditor Agreement, the Increase Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Credit Facility Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Credit Facility Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

7. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on such counterparts were on a single copy of this Agreement.

8. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

The execution of this Transfer Certificate may not entitle the New Lender to a proportionate share of the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[*insert relevant details*]

[*Facility Office address, fax number and attention details for notices and account details for payments,*]

[*Existing Lender*] [*New Lender*]

By: By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Agent and as a Creditor/Agent Accession Undertaking for the purposes of and as defined in the Intercreditor Agreement by the Intercreditor Agent, and the Transfer Date is confirmed as [•].

Agent

By:

Intercreditor Agent

By:

Note: It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate or to give the New Lender full enjoyment of all the Finance Documents.

Schedule 5

Form of Assignment Agreement and Lender Accession Undertaking

To: [•] as Agent and [•] as Intercreditor Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This is an Assignment Agreement and Lender Accession Undertaking. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement and Lender Accession Undertaking for the purpose of the Facilities Agreement and as a Creditor/Creditor Representative Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in or construed for the purposes of the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

   (a) We refer to Clause 25.6 (*Procedure for assignment*) of the Facilities Agreement.

   (b) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement, the other Finance Documents (excluding the Onshore Security Documents) and under the Onshore Security Documents and in respect of the Transaction Security created or expressed to be created thereunder which correspond to that portion of the Existing Lender's Commitment(s) and/or all or part of the Existing Lender's participation(s) in Loan(s) under the Facilities Agreement and its rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.

   (c) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment(s) and/or all or part of the Existing Lender's participation(s) in Loan(s) under the Facilities Agreement and its rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.

2. The proposed Transfer Date is [•].

3. On the Transfer Date the New Lender becomes:

   (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and

   (b) party to the Intercreditor Agreement as a Credit Facility Lender.

4. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.4 (*Limitation of responsibility of Existing Lenders*).

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.

6. The New Lender confirms that it [is]/[is not] a Sponsor Affiliate.

7. We refer to clauses 25.5 (*Change of Credit Facility Lender or Pari Passu Lender under an Existing Credit Facility or Pari Passu Facility*) and 25.14 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement:

   In consideration of the New Lender being accepted as a Credit Facility Lender (as defined in the Intercreditor Agreement) for the purposes of the Intercreditor Agreement, the Increase Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Credit Facility Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Credit Facility Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

8. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery to the Borrower and the Parent in accordance with Clause 25.7 (*Copy of assignments, transfer and accession documents to the Borrower and Parent*), to the Borrower and to the Parent (for itself and for and on behalf of each other Obligor) of the assignment referred to in this Agreement.

9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

10. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

The execution of this Assignment Agreement and Lender Accession Undertaking may not entitle the New Lender to a proportionate share of the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred by assignment, release and accession

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[*Existing Lender*] [*New Lender*]

By: By:

This Agreement is accepted as an Assignment Agreement and Lender Accession Undertaking for the purposes of the Facilities Agreement by the Agent and as a Creditor/Agent Accession Undertaking for the purposes of and as defined in the Intercreditor Agreement by the Intercreditor Agent, and the Transfer Date is confirmed as [•].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

Agent

By:

Intercreditor Agent

By:

Note: It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Assignment Agreement and Lender Accession Undertaking or to give the New Lender full enjoyment of all the Finance Documents.

Schedule 6

Form of Accession Letter

To: [•] as Agent and [•] as Intercreditor Agent

From: [*Subsidiary*] and Studio City Company Limited

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This deed (the "**Accession Deed**") shall take effect as an Accession Letter for the purpose of the Facilities Agreement and as a Debtor Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in paragraphs 1 to 4 of this Accession Deed unless given a different meaning in this Accession Deed.

2. [*Subsidiary*] agrees to become an Additional Guarantor and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional Guarantor pursuant to Clause 27.2 (*Additional Guarantors*) of the Facilities Agreement. [*Subsidiary*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company with registered number [•].

3. [*Subsidiary's*] administrative details are as follows:

   Address:

   Fax No.:

   Attention

4. The Borrower and the Subsidiary make the Repeating Representations to the Finance Parties on the date of this Accession Deed.

5. [*Subsidiary*] (for the purposes of this paragraph 5, the "**Acceding Debtor**") intends to give a guarantee, indemnity or other assurance against loss in respect of liabilities under the following documents:

   [*Insert details (date, parties and description) of relevant documents*]

   the "**Relevant Documents**".

   It is agreed as follows:

   (a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Agreement, bear the same meaning when used in this paragraph 5.

   (b) The Acceding Debtor and the Common Security Agent agree that the Common Security Agent shall hold:

      (i) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

(ii) all proceeds of that Security; and]*

(iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Common Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Common Security Agent as trustee for the Secured Parties,

on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

(c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

(d) [In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].**

6. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

This Accession Deed has been signed on behalf of the Intercreditor Agent and the Common Security Agent (each, for the purposes of paragraphs 5 and 6 above, only), signed by the Borrower and executed as a deed by [*Subsidiary*] and is delivered on the date stated above.

---

* Include to the extent that the Security created in the Relevant Documents is expressed to be granted to the Security Agent as trustee for the Secured Parties.

** Include this paragraph in the relevant Accession Deed if the Acceding Debtor is also to accede as an Intra-Group Lender to the Intercreditor Agreement.

[***Subsidiary***]
[**Executed** as a **Deed**
By: [*Full name of Subsidiary*]

}

Director

}

Director/Secretary]

or

[**Executed** as a **Deed**
By: [*Full name of Subsidiary*]

}

Signature of Director

}

Name of Director

In the presence of:

Signature of witness:

Name of witness:

Address of witness:

Occupation of witness]:

Address for notices:

Address:

Fax:

Studio City Company Limited

By: _____
Date:

The Intercreditor Agent
[*Full name of current Intercreditor Agent*]

By: _____
Date:

The Common Security Agent
[*Full name of current Common Security Agent*]

By: _____
Date:

Schedule 7

Form of Resignation Letter

To: [•] as Agent and [•] as Intercreditor Agent

From: [*resigning Obligor*] and Studio City Company Limited

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in or construed for the purposes of the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to Clause 27.4 (*Resignation of a Guarantor*) of the Facilities Agreement, we request that [*resigning Obligor*] be released from its obligations as a Guarantor under the Facilities Agreement and the Finance Documents.

3. We confirm that:

   (a) [such release is conditional upon repayment or prepayment in full of the Facilities and the payment of all other amounts then due and payable under the Finance Documents and the cancellation of all Commitments under the Finance Documents;]

   (b) [the Resigning Guarantor is being (or shares or equity interests in the Resigning Guarantor are being) disposed of (directly or indirectly) by way of a sale or disposal or reorganisation where such sale or disposal or reorganisation is expressly permitted under the Facilities Agreement or any other Finance Document in circumstances where the Resigning Guarantor will cease to be a Group Member;] [or]

   (c) [the Lenders have consented to the resignation of the Resigning Guarantor]; [or]

4. We confirm that no Event of Default is continuing.

5. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Studio City Company Limited

By: _____

Date:

[*Resigning* Obligor]

By: _____

Date:

Schedule 8

Forms of Notifiable Debt Purchase Transaction Notice

Part 1

Form of Notice on Entering into Notifiable Debt Purchase Transaction

To: [•] as Agent

From: [*The Lender*]

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to paragraph (b) of Clause 26.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*) of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this notice unless given a different meaning in this notice.

2. We have entered into a Notifiable Debt Purchase Transaction.

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment	**Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (HK$)**
Revolving Facility Commitment	[*insert amount of that Commitment to which the relevant Debt Purchase Transaction applies*]

[Lender]

By:

Part 2

Form of Notice on Termination of Notifiable Debt Purchase Transaction/Notifiable Debt Purchase Transaction Ceasing to be with Sponsor Affiliate

To: [•] as Agent

From: [*The Lender*]

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to paragraph (b) of Clause 26.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*) of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this notice unless given a different meaning in this notice.

2. A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [•] has [terminated]/[ceased to be with a Sponsor Affiliate].*

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment	**Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (HK$)**
Revolving Facility Commitment	[*insert amount of that Commitment to which the relevant Debt Purchase Transaction applies*]

[Lender]

By:

* Delete as applicable

Schedule 9

Form of Increase Confirmation

To: [•] as Agent, [•] as Intercreditor Agent, Studio City Company Limited and Studio City Investments Limited (for and on behalf of itself and each other Obligor)

From: [*the Increase Lender*] (the **Increase Lender**)

Dated:

Dear Sirs

Studio City Company Limited—Facilities Agreement originally dated 28 January 2013 (as amended and amended and restated from time to time) (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the "**Agreement**") shall take effect as an Increase Confirmation for the purpose of the Facilities Agreement and as a Creditor/Creditor Representative Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in or construed for the purposes of the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 2.2 (*Increase*) of the Facilities Agreement.

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Facilities Agreement.

4. The proposed date on which such assumption in relation to the Increase Lender and the Relevant Commitment is to take effect (the "**Increase Date**") is [•].

5. On the Increase Date, the Increase Lender becomes:

   (a) party to the Facilities Agreement as a Lender, and becomes a Lender for the purposes of the each other Finance Document; and

   (b) party to the Intercreditor Agreement as a Credit Facility Lender (as defined in the Intercreditor Agreement).

6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 33.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (g) of Clause 2.2 (*Increase*)) of the Facilities Agreement.

8. The Increase Lender confirms that it is not a Sponsor Affiliate.

9. We refer to clauses 25.5 (*Change of Credit Facility Lender or Pari Passu Lender under an Existing Credit Facility or Pari Passu Facility*) and 25.14 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement:

   In consideration of the Increase Lender being accepted as a Credit Facility Lender (as defined in the Intercreditor Agreement) for the purposes of the Intercreditor Agreement, the Increase Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Credit Facility Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Credit Facility Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

10. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on such counterparts were on a single copy of this Agreement.

11. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

12. This Agreement has been entered into on the date stated at the beginning of this Agreement.

The execution of this Increase Confirmation may not be sufficient for the Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[*Increase Lender*]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Agent and as a Creditor/Agent Accession Undertaking for the purposes of and as defined in the Intercreditor Agreement by the Intercreditor Agent, and the Increase Date is confirmed as [•].

Agent

By:

Intercreditor Agent

By:

Schedule 10

Covenants

1. Definitions and rules of construction

(a) Terms used in this Schedule 10 shall, if not otherwise defined in this Schedule 10, have the meaning given to them in Schedule 11 (*Definitions*) and shall, if not otherwise defined in Schedule 11 (*Definitions*) have the meaning given to them elsewhere in this Agreement. References to a "Section" are to sections of this Schedule 10.

(b) Each of the Parties acknowledges and agrees that the provisions of this Schedule 10 are not intended to (and shall not be construed so as to) permit any transaction, step, action or other matter that is otherwise prohibited by any other provisions of this Agreement.

(c) Unless the context otherwise requires, in this Schedule 10:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(iii) "or" is not exclusive;

(iv) words in the singular include the plural, and in the plural include the singular;

(v) "will" shall be interpreted to express a command;

(vi) provisions apply to successive events and transactions; and

(vii) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

2. Limitation on Restricted Payments

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and other than dividends or distributions payable to the Company or a Restricted Subsidiary of the Company);

(ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any of its direct or indirect parents;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness of the Company or any Subsidiary Guarantor (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof; or

(iv) make any Restricted Investment,

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "**Restricted Payments**"), unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Company would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4(a) hereof; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Measurement Date (excluding Restricted Payments permitted by clauses (ii) through (xii) of Section 2(b) below), is less than the sum of:

(I) 75% of the EBITDA of the Company *less* 2.00 times Fixed Charges for the period (taken as one accounting period) from 1 January 2019 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such EBITDA for such period is a deficit, *minus* 100% of such deficit); *plus*

(II) 100% of the aggregate net cash proceeds received by the Company since the Measurement Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company (in each case, other than in connection with any Excluded Contribution) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); *plus*

(III) to the extent that any Restricted Investment that was made after the Measurement Date (x) is reduced as a result of payments of dividends to the Company or a Restricted Subsidiary of the Company or (y) is sold for cash or otherwise liquidated or repaid for cash, (in the case of sub-clauses (x) and (y)) the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment or (z) is reduced upon the release of the guarantees under this Agreement granted by the Company or a Restricted Subsidiary of the Company that constituted a Restricted Investment, to the extent that the initial granting of such guarantee reduced the restricted payments capacity under this clause (C); *plus*

(IV) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Measurement Date is re-designated as a Restricted Subsidiary after the Measurement Date, the lesser of (i) the Fair Market Value of the Company's Restricted Investment in such Subsidiary as of the date of such re-designation or (ii) the Fair Market Value of the net aggregate Investments made by the Company or a Restricted Subsidiary of the Company in such Unrestricted Subsidiary from the date such entity was originally designated as an Unrestricted Subsidiary through the date of such re-designation; *plus*

(V) 100% of the aggregate amount received from the sale of the stock of any Unrestricted Subsidiary of the Company after the Measurement Date or 100% of any dividends received by the Company or a Restricted Subsidiary of the Company after the Measurement Date from an Unrestricted Subsidiary of the Company; *less*

(VI) any amount paid by the Company pursuant to paragraph (b) of Clause 37.7 (*Cancellation and repayment of a Replaceable Lender* (*other than an Illegal Lender*)) of this Agreement.

(b) The provisions of Section 2(a) above will not prohibit:

(i) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Agreement;

(ii) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Company (in each case, other than in connection with any Excluded Contribution); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(II) of Section 2(a) hereof;

(iii) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the net cash proceeds from a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(iv) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a *pro rata* basis;

(v) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any current or former officer, director or employee of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; *provided that* the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US$1.0 million in any twelve-month period;

(vi) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(vii) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary of the Company issued on or after the 2016 Amendment and Restatement Effective Date in accordance with the Fixed Charge Coverage Ratio test described in Section 4(a) hereof;

(viii) any Restricted Payment made or deemed to be made by the Company or a Restricted Subsidiary of the Company under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA;

(ix) [Reserved];

(x) Restricted Payments that are made with Excluded Contributions;

(xi) payments to any parent entity in respect of directors' fees, remuneration and expenses (including director and officer insurance (including premiums therefore)) to the extent relating to the Company and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(xii) the making of Restricted Payments, if applicable:

(A) in amounts required for any direct or indirect parent of the Company to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Company and general corporate operating and overhead expenses of any direct or indirect parent of the Company in each case to the extent such fees and expenses are attributable to the ownership or operation of the Company, if applicable, and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(B) in amounts required for any direct or indirect parent of the Company, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Company or any of its Restricted Subsidiaries prior to the 2021 Amendment and Restatement Effective Date and that has been guaranteed by, or is otherwise considered Indebtedness of, the Company Incurred in accordance with Section 4; *provided that* the amount of any such proceeds will be excluded from clause (C)(II) of Section 2(a);

(C) in amounts required for any direct or indirect parent of the Company to pay fees and expenses, other than to Affiliates of the Company, related to any unsuccessful equity or debt offering of such parent; and

(D) payments for services under any Revenue Sharing Agreement that would constitute or be deemed to constitute a Restricted Payment;

(xiii) any Restricted Payment used to fund the Transactions and the payment of fees and expenses incurred in connection with the Transactions or owed by the Company or any direct or indirect parent of the Company or its Restricted Subsidiaries to Affiliates, and any other payments made, including any such payments made to any direct or indirect parent of the Company to enable it to make payments, in connection with the consummation of the Transactions, whether payable on the 2021 Amendment and Restatement Effective Date or thereafter, in each case on terms described in the Offering Memorandum under "Use of Proceeds" and to the extent permitted by Section 6;

(xiv) any Restricted Payments, to the extent required to be made by any Gaming Authority having jurisdiction over the Company or any of its Restricted Subsidiaries or Melco Resorts Macau (or any other operator of the Studio City Casino);

(xv) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company or any Restricted Subsidiary; *provided*, however, that any such cash payment shall not be for the purpose of evading the limitation of this Section 2;

(xvi) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Company or any Subsidiary Guarantor pursuant to provisions similar to those described under section 4.15 of the original form of the respective Senior Notes Indentures; *provided that* the Company shall have first complied with its obligations under Clause 9.2 (*Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event*) of this Agreement and repaid and cancelled Indebtedness under the Finance Documents to the extent required by such Clause prior to repurchasing, redeeming, acquiring or otherwise retiring for value such Subordinated Indebtedness;

(xvii) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, that complies with Section 13; *provided that* the Company shall have first complied with its obligations under Clause 9.2 (*Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event*) of this Agreement and repaid and cancelled Indebtedness under the Finance Documents to the extent required by such Clause prior to making such payment or distribution; and

(xviii) other Restricted Payments in an aggregate amount not to exceed US$15.0 million since the 2021 Amendment and Restatement Effective Date,

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (xii), (xiii) and (xviii) of this Section 2(b), no Default shall have occurred and be continuing or would occur as a consequence thereof.

(c) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Section 2 will be determined by the Board of Directors of the Company whose resolution with respect thereto will be delivered to the Agent as set forth in an Officer's Certificate of the Company. The Company's Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of international standing (an "**Independent Financial Advisor**") if the Fair Market Value exceeds US$45.0 million.

3. Dividend and Other Payment Restrictions Affecting Subsidiaries

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause, permit or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(ii) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(iii) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The restrictions in Section 3(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(i) agreements governing Indebtedness or any other agreements in existence on the 2021 Amendment and Restatement Effective Date as in effect on the 2021 Amendment and Restatement Effective Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements on the 2021 Amendment and Restatement Effective Date;

(ii) the Credit Facilities Documents (other than the Facilities) and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* such Credit Facilities Documents and the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings thereof are not materially more restrictive, taken as a whole, with respect to such dividend and the other restrictions than those contained in the Facilities;

(iii) the Senior Notes Indentures, the Senior Notes and the Senior Notes Guarantees;

(iv) applicable law, rule, regulation or order, or governmental license, permit or concession;

(v) any agreement or instrument governing Indebtedness or Capital Stock of a Person or assets acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements or instruments; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements or instruments at the time of such acquisition); *provided* further, that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Agreement to be Incurred;

(vi) customary non-assignment provisions in contracts and licenses including, without limitation, with respect to any intellectual property, entered into in the ordinary course of business;

(vii) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 3(a)(iii);

(viii) any agreement for the sale or other disposition of Equity Interests or property or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition;

(ix) Permitted Refinancing Indebtedness; *provided that* the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(x) Liens permitted to be incurred under the provisions of Section 7 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(xi) provisions limiting dividends or the disposition or distribution of assets, property or Equity Interests in joint venture or operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, merger agreements and other similar agreements entered into with the approval of the Company's Board of Directors, which limitation is applicable only to the assets, property or Equity Interests that are the subject of such agreements;

(xii) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(xiii) any agreement or instrument with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of this Agreement at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals, supplements or amendments or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed, supplemented, amended or replaced.

4. Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not issue any shares of Disqualified Stock and the Company will not, and the Company will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided*, however, that the Company may Incur Indebtedness (including Acquired Indebtedness) or issue Disqualified Stock, and the Company or any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Preferred Stock, if the Fixed Charge Coverage Ratio of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been at least 2.00 to 1.00 determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The provisions of Section 4(a) hereof do not apply to the following (collectively, "**Permitted Debt**"):

(i) the Incurrence by the Company and the Subsidiary Guarantors of Indebtedness under Credit Facilities (including the Facilities), *provided that* on the date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (i) (together with any refinancing thereof) does not exceed the sum of: (A) (x) US$35.0 million plus, (y) US$100.0 million Incurred in respect of the Phase II Project: less (B), in the case of clause (i)(A)(y), the aggregate amount of all Net Proceeds of Asset Sales applied since the 2021 Amendment and Restatement Effective Date to repay any term Indebtedness Incurred pursuant to this clause (i)(A)(y) or to repay any revolving credit indebtedness Incurred under this clause (i)(A)(y) and effect a corresponding commitment reduction thereunder pursuant to Section 5 hereof;

(ii) [Reserved];

(iii) (A) the Incurrence by the Company or the Subsidiary Guarantors of Indebtedness in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (iii)(A), not to exceed the greater of (x) an amount equal to 3.5 times the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the relevant time of determination and (y) US$1,200,000,000, and (B) Indebtedness existing on the 2021 Amendment and Restatement Effective Date (other than the Indebtedness described in clauses (i) and (ii));

(iv) the Incurrence of Indebtedness of the Company or any of its Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or other assets (including through the acquisition of Capital Stock of any person that owns property, plant or other assets which will, upon acquisition, become a Restricted Subsidiary) used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (iv), not to exceed the greater of (x) US$50.0 million and (y) 2.0% of Total Assets at any time outstanding;

(v) the Incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge Indebtedness (other than intercompany Indebtedness that was permitted by this Agreement to be Incurred under Section 4(a) or clauses (ii), (iii)(B), (iv), (v) or (xv) of this Section 4(b);

(vi) (A) Obligations in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, bid, appeal and surety bonds and completion or performance guarantees (including the guarantee of any land grant) provided by the Company or any Restricted Subsidiary in connection with the Property or in the ordinary course of business and (B) Indebtedness constituting reimbursement obligations with respect to letters of credit or trade or bank guarantees (including for land grants) issued in the ordinary course of business to the extent that such letters of credit, trade or bank guarantees (including for land grants) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than thirty (30) days following receipt of a demand for reimbursement;

(vii) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company or any of its Restricted Subsidiaries; *provided*, however, that:

(A) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all of the Facilities Liabilities; and

(B) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vii);

(viii) shares of Preferred Stock of a Restricted Subsidiary issued to the Company or another Restricted Subsidiary of the Company; *provided that*:

(A) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(B) any sale or other transfer of any such Preferred Stock to a Person that is not the Company or a Restricted Subsidiary of the Company, will be deemed, in each case, to constitute an issuance of such Preferred Stock by such Restricted Subsidiary that was not permitted by clause (viii);

(ix) subject to Clause 23.13 (*Hedging and Treasury Transactions*) of this Agreement, the Incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(x) the guarantee by the Company or any Restricted Subsidiary of the Company of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be Incurred by another provision of this Section 4; *provided that* if the Indebtedness being guaranteed is subordinated to or pari passu with the Facilities Liabilities, then the guarantee shall be subordinated or pari passu, as applicable, to the same extent as the Indebtedness guaranteed;

(xi) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

(xii) to the extent constituting Indebtedness, agreements to pay service fees to professionals (including architects, engineers, contractors and designers) in furtherance of and/or in connection with the Property or agreements to pay fees and expenses or other amounts pursuant to the Services and Right to Use Agreement or the MSA or otherwise arising under the Services and Right to Use Agreement or the MSA in the ordinary course of business; *provided that* no such agreements shall give rise to Indebtedness for borrowed money;

(xiii) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, or performance bonds securing any obligation of the Company or any Restricted Subsidiary of the Company pursuant to such agreements, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided that* the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received in connection with such disposition;

(xiv) Obligations in respect of Shareholder Subordinated Debt;

(xv) any guarantees made solely in connection with (and limited in scope to) the giving of a Lien of the type specified in clause (22) of "Permitted Liens" to secure Indebtedness of an Unrestricted Subsidiary, the only recourse of which to the Company and its Restricted Subsidiaries is to the Equity Interests subject to the Liens;

(xvi) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (xvi), not to exceed US$50.0 million; and

(xvii) the Incurrence by the Company or the Subsidiary Guarantors of additional Indebtedness in respect of the Phase II Project in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (xvii), not to exceed the greater of (x) 75% of the EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available (which figure shall be based on audited financial information, if for an annual period) and (y) US$350.0 million.

(c) The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Facilities Liabilities on substantially identical terms; *provided*, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

(d) For purposes of determining compliance with this Section 4, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (b)(i) through (xvii) above, or is entitled to be Incurred pursuant to clause (a) above, the Company will be permitted to classify such item of Indebtedness on the date of its Incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4. Indebtedness incurred under the Facilities will be deemed to have been incurred in reliance on the exception set out in (A)(x) of clause (b)(i) above and may not be reclassified. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 4; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Company as accrued. Notwithstanding any other provision of this Section 4, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary of the Company may Incur pursuant to this Section 4 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

(e) Further, for purposes of determining compliance with this covenant, to the extent the Company or any of its Restricted Subsidiaries guarantees Indebtedness of a direct or indirect parent entity to the extent otherwise permitted by this covenant, the on-loan by such direct or indirect parent entity to the Company or any of its Restricted Subsidiaries of all or a portion of the principal amount of such Indebtedness will not be double counted.

(f) The amount of any Indebtedness outstanding as of any date will be:

(i) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(ii) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(iii) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the face amount of the Indebtedness of the other Person.

5. Asset Sales

(a) The Company will not, and the Company will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale (other than an Event of Loss), unless:

(i) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(ii) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Facilities Liabilities) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;

(B) any securities, notes or other Obligations received by the Company or any such Restricted Subsidiary from such transferee that are, within 30 days of the receipt thereof, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any stock or assets of the kind referred to in Section 5(b)(ii) or (iv).

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale (including an Event of Loss), the Company or the applicable Restricted Subsidiary, as the case may be may apply such Net Proceeds:

(i) to repay (A) Indebtedness Incurred under Section 4(b)(i) and Section 4(b)(xvii), (B) other Indebtedness of the Company or a Subsidiary Guarantor secured by property and assets that are the subject of such Asset Sale, and, in each case, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (C) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or (D) the 2025 Notes, the 2028 Notes or the 2029 Notes pursuant to the redemption provisions of the applicable Senior Notes Indenture;

(ii) to acquire all or substantially all of the assets of another Permitted Business, or any Capital Stock of, a Person undertaking another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Company; *provided that* (A) such acquisition funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets or Capital Stock is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (B) if such acquisition is not consummated within the period set forth in clause (A), the Net Proceeds not so applied will be deemed to be Excess Proceeds;

(iii) to make a capital expenditure; *provided that* any such capital expenditure funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to make such capital expenditure is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss; or

(iv) to acquire other assets that are not classified as current assets under U.S. GAAP and that are used or useful in a Permitted Business (*provided that* (A) such acquisition funded from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (B) if such acquisition is not consummated within the period set forth in clause (A), the Net Proceeds not so applied will be deemed to be Excess Proceeds);

or enter into a binding commitment regarding clauses (ii), (iii) or (iv) above (in addition to the binding commitments expressly referenced in those clauses); *provided that* such binding commitment shall be treated as a permitted application of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 360-day period. To the extent such acquisition or expenditure is not consummated on or before such 180th day and the Company or such Restricted Subsidiary shall not have applied such Net Proceeds pursuant to clauses (ii), (iii) or (iv) above on or before such 180th day, such commitment shall be deemed not to have been a permitted application of Net Proceeds, and such Net Proceeds will constitute Excess Proceeds.

(c) Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Agreement.

(d) If the aggregate amount of Excess Proceeds exceeds US$5.0 million, the Company shall make an Asset Sale Offer to all Holders with respect to offers to prepay or purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of the 2025 Notes, the 2028 Notes and the 2029 Notes that may be purchased out of the Excess Proceeds and comply with the terms and conditions of the 2025 Notes Indenture, the 2028 Notes Indenture and the 2029 Notes Indenture in respect of such Excess Proceeds and comply with Clause 23.15 (*Notes Repurchase condition*) of this Agreement in connection with the same.

6. Transactions with Affiliates

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "**Affiliate Transaction**"), unless:

(i) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(ii) the Company delivers to the Agent:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$55.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this Section 6(a) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company or, if the Board of Directors of the Company has no disinterested directors, approved in good faith by a majority of the members (or in the case of a single member, the sole member) of the Board of Directors of the Company; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$70.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of national standing with experience appraising the terms and conditions of the type of transaction or series of related transactions.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 6(a) hereof:

(i) any employment agreement, employee benefit plan (including compensation, retirement, disability, severance and other similar plan), officer or director indemnification, stock option or incentive plan or agreement, employee equity subscription agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(ii) transactions between or among the Company and/or its Restricted Subsidiaries;

(iii) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Company solely because the Company owns directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(iv) payment of reasonable officers' and directors' fees and reimbursement of expenses (including the provision of indemnity to officers and directors) to Persons who are not otherwise Affiliates of the Company;

(v) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company or contribution to the common equity capital of the Company;

(vi) Restricted Payments (including any payments made under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA) that do not violate Section 2 hereof;

(vii) any agreement or arrangement existing on the 2021 Amendment and Restatement Effective Date, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals (so long as any such agreement or arrangement together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the original agreement or arrangement as in effect on the 2021 Amendment and Restatement Effective Date, unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority, in each case having jurisdiction over the Studio City Casino, Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR);

(viii) loans or advances to employees (including personnel who provide services to the Company or any of its Restricted Subsidiaries pursuant to the MSA) in the ordinary course of business not to exceed US$2.0 million in the aggregate at any one time outstanding;

(ix) [Reserved];

(x) (A) transactions or arrangements under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof (so long as the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Company and its Restricted Subsidiaries, taken as a whole, than the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, as in effect on the 2021 Amendment and Restatement Effective Date or, as determined in good faith by the Board of Directors of the Company, does not have and would not reasonably be expected to have a Material Adverse Effect under paragraph (b) of the definition of "Material Adverse Effect" only) and (B) other than with respect to transactions or arrangements subject to clause (A) above, transactions or arrangements with customers, clients, suppliers or sellers of goods or services in the ordinary course of business, on terms that are fair to the Company or any of its Restricted Subsidiaries, as applicable, or are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arms-length basis from a Person that is not an Affiliate of the Company, in the case of each of (A) and (B), unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority having jurisdiction over Melco Resorts Macau (or any other operator of the Studio City Casino), the Company or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR;

(xi) the execution of the Transactions, and the payment of all fees and expenses relating to the Transactions described in the Offering Memorandum;

(xii) transactions or arrangements to be entered into in connection with the Property in the ordinary course of business (including, for the avoidance of doubt, transactions or arrangements necessary to conduct a Permitted Business) including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof; *provided that* such transactions or arrangements must comply with clauses (a)(i) and (a)(ii)(A) of Section 6 hereof;

(xiii) transactions or arrangements duly approved by the Audit and Risk Committee of Studio City International (or any other committee of the board of directors of Studio City International so long as such committee consists entirely of independent directors) and the Company delivers to the Trustee a copy of the resolution of the Audit and Risk Committee of Studio City International (or, if applicable, such other committee) annexed to an Officer's Certificate certifying that such Affiliate Transaction complies with this clause (xiii) and that such Affiliate Transaction has been duly approved by the Audit and Risk Committee of Studio City International (or, if applicable, such other committee);

(xiv) execution, delivery and performance of any tax sharing agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes; and

(xv) provision by, between, among, to or from Persons who may be deemed Affiliates of group administrative, treasury, legal, accounting and similar services.

7. Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired or any proceeds, income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens, or, if such Lien is not a Permitted Lien, unless the Facilities Liabilities are secured on a *pari passu* basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

8. Business Activities

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries (taken as a whole).

9. Corporate Existence

Subject to Section 13 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(a) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(b) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided*, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Lenders.

10. Designation of Restricted and Unrestricted Subsidiaries

(a) The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default; *provided that* in no event will the business currently operated by the Company, Studio City Developments Limited, SCE or Studio City Hotels Limited be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 2 hereof or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

(b) Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Agent by filing with the Agent a certified copy of a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate of the Company certifying that such designation complied with the preceding conditions and was permitted by Section 2 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Section 4 hereof, the Company will be in Default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4 hereof, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the reference period; and (2) no Default or Event of Default would be in existence following such designation. On such designation, the Company shall deliver an Officer's Certificate of the Company to the Agent regarding such designation and certifying that such designation complies with the preceding conditions and the relevant covenants under this Agreement.

11. Intercompany Note Proceeds Loans

The Company shall, and shall cause its Restricted Subsidiaries to, ensure that:

(a) the Intercompany Note Proceeds Loans are subordinated in right of payment to the Guarantees provided by the Company's Restricted Subsidiaries party thereto;

(b) the Company will receive interest payments under such Intercompany Note Proceeds Loans in amounts sufficient for the Company to make interest payments under the Notes as they become due; and

(c) the maturity date of such Intercompany Note Proceeds Loans will be same as the maturity date of the Notes.

12. Suspension of Covenants

(a) In this Section 12, "**Rated Liability**" means (i) any Financial Indebtedness outstanding under the 2025 Notes Indenture, (ii) any Financial Indebtedness outstanding under the 2028 Notes Indenture, (iii) any Financial Indebtedness outstanding under the 2029 Notes Indenture or (iv) any Financial Indebtedness outstanding under any other Pari Passu Debt Document in an aggregate principal amount of at least US$400,000,000 and that is rated by S&P or Moody's.

(b) The following covenants (the "**Suspended Covenants**") will not apply during any period during which all of the Rated Liabilities have an Investment Grade Status (a "**Suspension Period**"): Sections 2, 3, 4, 5, 6 and 13(a)(iii). Additionally, during any Suspension Period, the Company will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary. For the avoidance of doubt, a Suspension Period will not apply if there are no Rated Liabilities.

(c) In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of clause (b) above, and on any subsequent date (the "**Reversion Date**") any Rated Liability ceases to have Investment Grade Status (or there cease to be any Rated Liabilities), then the Suspended Covenants will apply with respect to events occurring following the Reversion Date (unless and until a Suspension Period applies again, in which case the Suspended Covenants will again be suspended for such time that there are Rated Liabilities and all of the Rated Liabilities have an Investment Grade Status); *provided*, however, that no Default or Event of Default will be deemed to exist under this Agreement with respect to the Suspended Covenants, and none of the Company or any of its Subsidiaries will bear any liability for any actions taken or events occurring during a Suspension Period and before any related Reversion Date, or any actions taken at any time pursuant to any contractual obligation or binding commitment arising prior to such Reversion Date, regardless of whether those actions or events would have been permitted if the applicable Suspended Covenant had remained in effect during such period. The Company shall notify the Agent should a Suspension Period commence; *provided that* such notification shall not be a condition for the suspension of the covenants set forth above to be effective.

(d) On each Reversion Date, all Indebtedness Incurred during the Suspension Period prior to such Reversion Date will be deemed to be Indebtedness existing on the 2021 Amendment and Restatement Effective Date. For purposes of calculating the amount available to be made as Restricted Payments under clause (iv)(C) of Section 2(a) on or after the Reversion Date, calculations under such covenant shall be made as though such covenant had been in effect during the entire period of time after the 2021 Amendment and Restatement Effective Date (including the Suspension Period). Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (ii) through (vi) or (xviii) under Section 2(b) hereof will reduce the amount available to be made as Restricted Payments under clause (iv)(C) of Section 2(a); *provided that* the amount available to be made as Restricted Payments on the Reversion Date shall not be reduced to below zero solely as a result of such Restricted Payments. In addition, for purposes of the other Suspended Covenants, all agreements entered into and all actions taken during the Suspension Period, including, without limitation, the Incurrence of Indebtedness shall be deemed to have been taken or to have existed prior to the 2021 Amendment and Restatement Effective Date.

13. Merger, Consolidation, or Sale of Assets

(a) The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(i) either:

(A) if the transaction or series of transactions is a consolidation of the Company with or a merger of the Company with or into any other Person, the Company, as the case may be, shall be the surviving entity of such merger or consolidation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Finance Documents pursuant to such accession documents or agreements that are reasonably satisfactory to the Agent;

(ii) immediately after such transaction, no Default or Event of Default exists;

(iii) the Company or, if applicable, the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made, would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4(a) hereof; and

(iv) Clauses 22.10 (“*Know your customer*” *checks*) and 27 (*Changes to the Obligors*) of this Agreement are satisfied.

(b) Subject to the Finance Documents, no Subsidiary Guarantor will, and the Company will not permit any Subsidiary Guarantor to, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor in one or more related transactions, to another Person, unless:

(i) either:

(A) if the transaction or series of transactions is a consolidation of such Subsidiary Guarantor with or a merger of such Subsidiary Guarantor with or into any other Person, such Subsidiary Guarantor shall be the surviving entity of such consolidation or merger; or

(B) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Finance Documents pursuant to such accession documents or agreements that are reasonably satisfactory to the Agent;

(ii) immediately after such transaction, no Default or Event of Default exists; and

(iii) Clauses 22.10 ("*Know your customer*" *checks*) and 27 (*Changes to the Obligors*) of this Agreement are satisfied,

provided, however, that the provisions of this Section 13(b) shall not apply if such Subsidiary Guarantor is released from its obligations as a Subsidiary Guarantor as a result of such consolidation, merger, sale or other disposition pursuant to the Finance Documents.

(c) This Section 13 will not apply to:

(i) a merger of the Company or a Subsidiary Guarantor, as the case may be, with an Affiliate solely for the purpose of reincorporating the Company or a Subsidiary Guarantor, as the case may be, in another jurisdiction; or

(ii) any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets between or among the Company and the Subsidiary Guarantors or between or among the Subsidiary Guarantors.

(d) Upon consummation of any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets by a Subsidiary Guarantor with or into the Company or another Subsidiary Guarantor in accordance with this Section 13 which results in a Subsidiary Guarantor distributing all of its assets (other than *de minimis* assets required by law to maintain its corporate existence) to the Company or another Subsidiary Guarantor, such transferring Subsidiary Guarantor may be wound up pursuant to a solvent liquidation or solvent reorganization; *provided that* it shall have no third party recourse Indebtedness or be the obligor under any intercompany Indebtedness.

Schedule 11

Definitions

"*2016 7.250% Studio City Company Notes*" means the US$850,000,000 7.250% Senior Secured Notes due 2021 of Studio City Company Limited which were redeemed in full on August 14, 2020.

"*2024 Notes*" means the US$600,000,000 7.250% senior notes due 2024 of the Company which were redeemed in full on February 17, 2021.

"*2025 Notes*" means:

(1) the USD500,000,000 aggregate principal amount of 6.000% senior notes due 2025 issued by the Company as issuer pursuant to the 2025 Notes Indenture; and

(2) any additional notes issued by the Company as issuer pursuant to the 2025 Notes Indenture as part of the same series of the senior notes issued under paragraph (1) above, provided that the Company has confirmed in writing that the incurrence of those notes will not breach the terms of any of the Finance Documents or any of its then existing Pari Passu Debt Documents.

"*2025 Notes Guarantees*" means the "Notes Guarantee" as defined in the 2025 Notes Indenture.

"*2025 Notes Indenture*" means the indenture governing the 2025 Notes dated July 15, 2020 and made between, among others, the Company and the 2025 Notes Trustee, as amended or supplemented from time to time.

"*2025 Notes Trustee*" means the notes trustee in respect of the 2025 Notes.

"*2028 Notes*" means:

(1) the USD500,000,000 aggregate principal amount of 6.500% senior notes due 2028 issued by the Company as issuer pursuant to the 2028 Notes Indenture; and

(2) any additional notes issued by the Company as issuer pursuant to the 2028 Notes Indenture as part of the same series of the senior notes issued under paragraph (1) above, provided that the Company has confirmed in writing that the incurrence of those notes will not breach the terms of any of the Finance Documents or any of its then existing Pari Passu Debt Documents.

"*2028 Notes Guarantees*" means the "Notes Guarantee" as defined in the 2028 Notes Indenture.

"*2028 Notes Indenture*" means the indenture governing the 2028 Notes dated July 15, 2020 and made between, among others, the Company and the 2028 Notes Trustee, as amended or supplemented from time to time.

"*2028 Notes Trustee*" means the notes trustee in respect of the 2028 Notes.

"*2029 Notes*" means:

(1) the USD750,000,000 aggregate principal amount of 5.000% senior notes due 2029 issued by the Company as issuer pursuant to the 2029 Notes Indenture; and

(2) any additional notes issued by the Company as issuer pursuant to the 2029 Notes Indenture as part of the same series of the senior notes issued under paragraph (1) above, provided that the Company has confirmed in writing that the incurrence of those notes will not breach the terms of any of the Finance Documents or any of its then existing Pari Passu Debt Documents.

"*2029 Notes Guarantees*" means the "Note Guarantee" as defined in the 2029 Notes Indenture.

"*2029 Notes Indenture*" means the indenture governing the 2029 Notes dated January 14, 2021 and made between, among others, the Company and the 2029 Notes Trustee, as amended or supplemented from time to time.

"*2029 Notes Trustee*" means the notes trustee in respect of the 2029 Notes.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional 2025 Notes*" means additional 2025 Notes (other than the Initial 2025 Notes) issued under the 2025 Notes Indenture, as part of the same series as the Initial 2025 Notes; *provided that* any Additional 2025 Notes that are not fungible with the 2025 Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued 2025 Notes, but shall otherwise be treated as a single class with all other 2025 Notes issued under the 2025 Notes Indenture.

"*Additional 2028 Notes*" means additional 2028 Notes (other than the Initial 2028 Notes) issued under the 2028 Notes Indenture, as part of the same series as the Initial 2028 Notes; *provided that* any Additional 2028 Notes that are not fungible with the 2028 Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued 2028 Notes, but shall otherwise be treated as a single class with all other 2028 Notes issued under the 2028 Notes Indenture.

"*Additional 2029 Notes*" means additional 2029 Notes (other than the Initial 2029 Notes) issued under the 2029 Notes Indenture, as part of the same series as the Initial 2029 Notes; *provided that* any Additional 2029 Notes that are not fungible with the 2029 Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued 2029 Notes, but shall otherwise be treated as a single class with all other 2029 Notes issued under the 2029 Notes Indenture.

"*Additional Senior Notes*" means Additional 2025 Notes, Additional 2028 Notes and Additional 2029 Notes.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided that* beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided that* the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Clause 9.2 (*Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event*) of this Agreement and/or the provisions of this Agreement described in Section 13 of Schedule 10 (*Covenants*) and not by the provisions of Section 5 of Schedule 10 (*Covenants*);

(2) the issuance of Equity Interests in any of the Restricted Subsidiaries of the Company or the sale of Equity Interests in any of the Company's Subsidiaries; and

(3) any Event of Loss.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US$5.0 million;

(2) a transfer of assets between or among the Company and its Restricted

Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to Company or a Restricted Subsidiary of the Company;

(4) the sale, license, transfer, lease (including the right to use) or other disposal of products, services, rights, accounts receivable, undertakings, establishments or other current assets or cessation of any undertaking or establishment in the ordinary course of business (including pursuant to any shared services agreements (including the MSA), Revenue Sharing Agreement or any construction and development activities) and any sale or other disposition of damaged, worn-out, surplus or obsolete assets (or the dissolution of any Dormant Subsidiary) in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) any transfer, termination or unwinding or other disposition of Hedging Obligations in the ordinary course of business;

(7) a transaction covered under Clause 9.2 (*Change of Control, Concession-Related Mandatory Prepayment Event and Disposal Prepayment Event*) of this Agreement or Section 13 of Schedule 10 (*Covenants*);

(8) the lease of, right to use or equivalent interest under Macau law on that portion of real property granted to Studio City Developments Limited pursuant to the applicable land concession granted by the government of the Macau SAR in connection with the development of the Phase II Project in accordance with such applicable land concession;

(9) a Restricted Payment that does not violate the provisions of Section 2 of Schedule 10 (*Covenants*) or a Permitted Investment, and any other payment under the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and any transactions or arrangements involving contractual rights under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof;

(10) the (i) lease, sublease, license or right to use of any portion of the Property to persons who, either directly or through Affiliates of such persons, intend to develop, operate or manage gaming, hotel, nightclubs, bars, restaurants, malls, amusements, attractions, recreation, spa, pool, exercise or gym facilities, or entertainment facilities or venues or retail shops or venues or similar or related establishments or facilities within the Property and (ii) the grant of declarations of covenants, conditions and restrictions and/or easements or other rights to use with respect to common area spaces and similar instruments benefiting such tenants of such lease, subleases licenses and rights to use generally and/or entered into connection with the Property (collectively, the "*Venue Easements*"); *provided that* no Venue Easements or operations conducted pursuant thereto would reasonably be expected to materially interfere with, or materially impair or detract from, the operation of the Property;

(11) the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development, construction and operation of the Property; provided that in each case such dedication or other disposition is in furtherance of, and does not materially impair or interfere with the use or operations (or intended use or operations) of, the Property;

(12) the granting of easements, rights of way, rights of access and/or similar rights to any governmental authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to the Property, the real property held by the Company or a Restricted Subsidiary of the Company or the public at large that would not reasonably be expected to interfere in any material respect with the construction, development or operation of the Property;

(13) the granting of a lease, right to use or equivalent interest to Melco Resorts Macau or Melco Resorts or any of its Affiliates for purposes of operating a gaming facility at Studio City, including under the Services and Right to Use Agreement and any related agreements, or any transactions or arrangements contemplated thereby;

(14) the grant of licenses to intellectual property rights to third Persons (other than Affiliates of the Company or any Restricted Subsidiary of the Company) on an arm's length basis in the ordinary course of business or to Melco Resorts Macau, Melco Resorts and its Affiliates in the ordinary course of business;

(15) transfers, assignments or dispositions constituting an Incurrence of a Permitted Lien (but not the actual sale or other disposition of the property subject to such Lien); and

(16) any surrender or waiver of contractual rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business.

"*Asset Sale Offer*" has the meaning given to it under each High Yield Note Indenture.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner

of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a finance or capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided that* the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(2) demand deposits, certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any commercial bank organized under the laws of Macau, Hong Kong, a member state of the European Union or of the United States of America or any state thereof having capital and surplus in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or "A-" or higher by S&P or the equivalent rating category or another internationally recognized rating agency ;

(3) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within 12 months after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Casualty*" means any casualty, loss, damage, destruction or other similar loss with respect to real or personal property or improvements.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) (other than Melco Resorts or a Related Party of Melco Resorts); or

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) the first day on which:

(a) Melco Resorts ceases to own, directly or indirectly (i) a majority, or (ii) if Melco Resorts is authorized by the relevant Gaming Authority or is otherwise permitted to hold less than 50.1% of Equity Interest in Studio City International, the greater of (x) such lesser percentage and (y) 35%, of the outstanding Equity Interests and/or Voting Stock of each of the Company and SCH5 (or any Person which becomes a "Golden Shareholder" and/or a "Preference Holder" under the Direct Agreement pursuant to the terms thereof, if any);

(b) Melco Resorts ceases to own, directly or indirectly, less than 50.1% of Equity Interest in Melco Resorts Macau (or another operator of the Studio City Casino); or

(c) Melco Resorts ceases to have, directly or indirectly (through a Subsidiary), the power to nominate a number of directors on the Board of Directors of the Company who are entitled to cast a majority of the votes which may be cast at a meeting of the Board of Directors of the Company.

"*Company*" means Studio City Finance Limited, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673307), whose registered office is at Jayla Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, and any and all successors thereto.

"*Condemnation*" means any taking by a Governmental Authority of assets or property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with U.S. GAAP; *provided that*:

(1) the Net Income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary that is not a Subsidiary Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders; *provided*, however, that Consolidated Net Income of the specified Person will be increased by the amount of dividends or similar contributions actually paid in cash (or to the extent converted into cash) to the specified Person or any of its Restricted Subsidiaries that is a Subsidiary Guarantor, to the extent not already included therein;

(3) the cumulative effect of a change in accounting principles will be excluded; and

(4) charges or expenses related to deferred financing fees and Indebtedness issuance costs, including related commissions, fees and expenses, premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, extinguishment, repurchase, cancellation or forgiveness of Indebtedness will be excluded.

"*Credit Facilities*" means one or more debt facilities, indentures or commercial paper facilities, in each case, with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or other forms of Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to investors) in whole or in part from time to time.

"*Credit Facilities Documents*" means the collective reference to any Credit Facilities, any notes issued pursuant thereto and the guarantees thereof, and the collateral or other documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"*Direct Agreement*" means the direct agreement dated November 26, 2013, in relation to (a) the Services and Right to Use Agreement and (b) the Reinvestment Agreement.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the last Final Repayment Date of the Facilities. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 2 of Schedule 10 (*Covenants*). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Company may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Dormant Subsidiary*" means a Restricted Subsidiary of the Company which does not trade (for itself or as agent for any other person) and does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Company or any other Restricted Subsidiary.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period *plus*, without duplication:

(1) an amount equal to any extraordinary loss *plus* any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(4) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period), of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; plus

(5) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; plus

(6) Pre-Opening Expenses, to the extent such expense were deducted in computing Consolidated Net Income; plus

(7) any goodwill or other intangible asset impairment charge; plus

(8) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with U.S. GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Company will be added to Consolidated Net Income to compute EBITDA of the Company only to the extent that a corresponding amount was included in the calculation of Consolidated Net Income.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Company or (2) a direct or indirect parent of the Company to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Company (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"*Event of Loss*" means, with respect to the Company any Subsidiary Guarantor or any Restricted Subsidiary of the Company that is a Significant Subsidiary, any (1) Casualty, (2) Condemnation or seizure (other than pursuant to foreclosure) or (3) settlement in lieu of clause (2) above, in each case having a fair market value in excess of US$20.0 million.

"*Excess Proceeds*" means any Net Proceeds from Asset Sales that are not applied or invested as provided in Section 5(b) of Schedule 10 (*Covenants*).

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the Company subsequent to the 2021 Amendment and Restatement Effective Date from:

(1) contributions to its common equity capital; and

(2) the issuance or sale (other than to a Subsidiary of the Company or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) by the Company of shares of its Capital Stock (other than Disqualified Stock) or a share capital increase;

in each case, designated as Excluded Contributions on the date on which such Excluded Contributions were received pursuant to an Officer's Certificate, and excluded from the calculation set forth in clause (C)(II) of Section 2(a) of Schedule 10 (*Covenants*).

"*Facilities Liabilities*" means the Liabilities (as defined in Clause 1.1 (*Definitions*) of this Agreement) owed by the Obligors to the Finance Parties under or in connection with the Finance Documents.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Agreement).

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (in accordance with Regulation S-X under the Securities Act) as if they had occurred on the first day of the four-quarter reference period;

(2) the EBITDA attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the Obligations giving rise to such Fixed Charges will not be Obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not (i) debt issuance costs, commissions, fees and expenses or (ii) amortization of discount on the Intercompany Note Proceeds Loans), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than Indebtedness secured by a Lien of the type specified in clause (22) of the definition of "Permitted Liens"), whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of such Person (other than Disqualified Stock) or to such Person or a Restricted Subsidiary of such Person, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with U.S. GAAP.

"*Gaming Authorities*" means the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after the 2021 Amendment and Restatement Effective Date have, jurisdiction over the gaming activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates) or (iii) of the Company or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the 2021 Amendment and Restatement Effective Date be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates) or the Company or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming Licenses*" means any concession, subconcession, license, permit, franchise or other authorization at any time required under any Gaming Laws to own, lease, operate or otherwise conduct the gaming business (i) at the Studio City Casino or (ii) of Melco Resorts Macau.

"*Governmental Authority*" means the government of the Macau SAR or any other territory, nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Senior Note is registered.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to U.S. GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Restricted Subsidiary of the Company shall be deemed to be Incurred at the time at which such Person becomes a Restricted Subsidiary of the Company. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.S. GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), (ii) obligations of the Company or a Restricted Subsidiary of the Company to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Company or any of its Restricted Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided*, that, in the case of (i) and (ii), such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet), or (iii) any lease of property which would be considered an operating lease under U.S. GAAP and any guarantee given by the Company or a Restricted Subsidiary in the ordinary course of business solely in connection with, or in respect of, the obligations of the Company or a Restricted Subsidiary under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with U.S. GAAP;

(B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) that the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Initial 2025 Notes*" means the first US$500,000,000 aggregate principal amount of 2025 Notes issued under the 2025 Notes Indenture on or about July 15, 2020.

"*Initial 2028 Notes*" means the first US$500,000,000 aggregate principal amount of 2028 Notes issued under the 2028 Notes Indenture on or about July 15, 2020.

"*Initial 2029 Notes*" means the first US$750,000,000 aggregate principal amount of 2029 Notes issued under the 2029 Notes Indenture on or about January 14, 2021.

"*Intercompany Note Proceeds Loans*" means the one or more intercompany loans between the Company and its Subsidiaries pursuant to which the Company on-lends to its Subsidiaries the net proceeds from the issuance of the 2025 Notes, the 2028 Notes or (as the case may be) the 2029 Notes in accordance with the terms of the definitive documents with respect to the 2025 Notes, the 2028 Notes or (as the case may be) the 2029 Notes, in each case, as amended from time to time, including in connection with any extension, additional issuance or refinancing thereof.

"*Investment Grade Status*" shall apply at any time the relevant Indebtedness receives (i) a rating equal to or higher than BBB- (or the equivalent) from S&P and (ii) a rating equal to or higher than Baa3 (or the equivalent) from Moody's.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.S. GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in clause (c) of Section 2 of Schedule 10 (*Covenants*). The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in clause (c) of Section 2 of Schedule 10 (*Covenants*). Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Land Concession*" means the land concession by way of lease, for a period of 25 years, subject to renewal as of October 17, 2001 for a plot of land situated in Cotai, Macau, described with the Macau Immovable Property Registry under No. 23059 and registered in Studio City Developments Limited's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of October 9, 2001, published in the Macau Official Gazette no. 42 of October 17, 2001, as amended by Dispatch of the Secretary for Public Works and Transportation no. 31/2012 of July 19, 2012, published in the Macau Official Gazette no. 30 of July 25, 2012, and by Dispatch of Secretary for Public Works and Transportation no. 92/2015 of September 10, 2015, published in the Macau Official Gazette no. 38 of September 23, 2015 and including any other amendments from time to time to such land concession.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, New York, Hong Kong, Macau, the British Virgin Islands or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"*Measurement Date*" means February 11, 2019.

"*Melco Resorts*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Melco Resorts Parties*" means COD Resorts Limited, Altira Resorts Limited, Melco Resorts (Macau) Limited, MPEL Services Limited, Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Resorts Security Services Limited, Melco Resorts Travel Limited, MCE Transportation Limited, MCE Transportation Two Limited and any other Person which accedes to the MSA as a "*Melco Crown Party*" pursuant to terms thereof; and a "*Melco Resorts Party*" means any of them.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*MSA*" means the master services agreement dated December 21, 2015, including any work agreements entered into pursuant to the master services agreement, entered into between the Studio City Parties on the one part and the Melco Resorts Parties on the other part, as amended, modified, supplemented, extended, replaced or renewed from time to time, and any other master services agreement or equivalent agreement or contract, including any work agreements entered into pursuant to any such master services agreement, in each case entered into in connection with the conduct of Permitted Business and on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in an arm's length commercial transaction, as amended, modified, supplemented, extended, replaced or renewed from time to time.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with U.S. GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment, repurchase or cancellation of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.S. GAAP.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender, other than, in the case of (a) and (b), Indebtedness incurred pursuant to clause (b)(xv) of Section 4 of Schedule 10 (*Covenants*); and

(2) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than to the Equity Interests of any Unrestricted Subsidiary).

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated January 5, 2021 in respect of the Senior Notes.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company or any Directors of the Board or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company, by an Officer of the Company, which is in form and substance satisfactory to the Agent (acting reasonably).

"*Permitted Business*" means (1) any businesses, services or activities engaged in by the Company or any of its Restricted Subsidiaries on the 2021 Amendment and Restatement Effective Date, including, without limitation, the construction, development and operation of the Property, (2) any gaming, hotel, accommodation, hospitality, transport, tourism, resort, food and beverage, retail, entertainment, cinema / cinematic venue, audio-visual production (including provision of sound stage, recording studio and similar facilities), performance, cultural or related business, development, project, undertaking or venture of any kind in the Macau SAR, and (3) any other businesses, services, activities or undertaking that are necessary for, supportive of, or connected, related, complementary, incidental, ancillary or similar to, any of the foregoing or are extensions or developments of any thereof (including in support of the businesses, services, activities and undertakings of the Melco Resorts group as a whole or any member thereof including through participation in shared and centralized services and activities).

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary of the Company; or

(B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 5 of Schedule 10 (*Covenants*);

(5) any acquisition of assets or Capital Stock in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees, officers, or directors made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed US$2.0 million at any one time outstanding;

(9) without prejudice to Clause 23.15 (*Notes Repurchase condition*) of this Agreement, repurchases of the Senior Notes;

(10) any Investments consisting of gaming credit extended to customers and junket operators in the ordinary course of business and consistent with applicable law and any Investments made or deemed to be made in connection with or through any transactions or arrangements involving contractual rights under, pursuant to or in connection with (i) the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and (ii) any transaction or arrangements made pursuant to clause (10) of the definition of "Asset Sale", including any amendments, modifications, supplements, extensions, replacements, terminations or renewals;

(11) advances to contractors and suppliers and accounts, trade and notes receivables created or acquired in the ordinary course of business;

(12) receivables owing to the Company or any of its Restricted Subsidiaries if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(13) any Investment existing on the 2021 Amendment and Restatement Effective Date or made pursuant to binding commitments in effect on the 2021 Amendment and Restatement Effective Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the 2021 Amendment and Restatement Effective Date; *provided that* the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the 2021 Amendment and Restatement Effective Date or (y) as otherwise permitted under the Finance Documents;

(14) Investments in prepaid expenses, negotiable instruments held for collection, deposits made in connection with self-insurance, and performance and other similar deposits and prepayments made in connection with an acquisition of assets or property in the ordinary course of business by the Company or any Restricted Subsidiary of the Company;

(15) deposits made by the Company or any Restricted Subsidiary of the Company in the ordinary course of business to comply with statutory or regulatory obligations (including land grants) to maintain deposits for the purposes specified by the applicable statute or regulation (including land grants) from time to time;

(16) any Investment consisting of a Guarantee permitted by Section 4 of Schedule 10 (*Covenants*) and performance guarantees that do not constitute Indebtedness entered into by the Company or any Restricted Subsidiary of the Company in the ordinary course of business;

(17) to the extent constituting an Investment, licenses of intellectual property rights granted by the Company or any Restricted Subsidiary of the Company in the ordinary course of business; *provided that* such grant does not interfere in any material respect with the ordinary conduct of the business of such Person;

(18) Investments consisting of purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(19) Investments held by a Person that becomes a Restricted Subsidiary of the Company; *provided*, however, that such Investments were not acquired in contemplation of the acquisition of such Person;

(20) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(21) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens”;

(22) Investments (other than Permitted Investments) made with Excluded Contributions; *provided*, however, that any amount of Excluded Contributions made will not be included in the calculation of clause (C)(II) of Section 2(a) of Schedule 10 (*Covenants*);

(23) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons; and

(24) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (24) that are at the time outstanding, not to exceed US$5.0 million.

"*Permitted Liens*" means:

(1) Liens to secure Indebtedness permitted by Section 4(b)(i)(A)(x) and Section 4(b)(iii)(A) of Schedule 10 (*Covenants*);

(2) Liens created for the benefit of (or to secure) the Senior Notes (including any Additional Senior Notes) or the Senior Notes Guarantees;

(3) Liens in favor of the Company or the Subsidiary Guarantors;

(4) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Subsidiary of the Company; provided that such Liens were not created in connection with, or in contemplation of, such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(5) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; *provided that* such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;

(6) Liens incurred or deposits made in the ordinary course of business in connection with workmen's compensation or employment obligations or other obligations of a like nature, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by Section 4(b)(iv) of Schedule 10 (*Covenants*) covering only the assets acquired with or financed by such Indebtedness and directly related assets such as proceeds (including insurance proceeds), improvements, replacements and substitutions thereto;

(8) Liens existing on the 2021 Amendment and Restatement Effective Date;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with U.S. GAAP has been made therefor;

(10) Liens imposed by law, such as carriers, warehousemen's, landlord's, suppliers' and mechanics' Liens, in each case, incurred in the ordinary course of business;

(11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under the Finance Documents; *provided*, however, that:

(A) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (*plus* improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under the Finance Documents, secured by a Lien on the same assets or property securing such Hedging Obligations;

(14) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the money borrowed, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(15) Liens arising out of judgments against such Person not giving rise to an Event of Default, with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, *provided that* any reserve or other appropriate provision as shall be required in conformity with U.S. GAAP shall have been made therefor;

(16) Liens granted to each Senior Notes Trustee for its compensation and indemnities pursuant to the applicable Senior Notes Indenture;

(17) Liens arising out of or in connection with licenses, sublicenses, leases (other than capital leases) and subleases (including rights to use) of assets (including, without limitation, intellectual property) entered into in the ordinary course of business;

(18) Liens upon specific items of inventory or other goods and proceeds of the Company or any of its Restricted Subsidiaries securing obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangement for the sale of goods in the ordinary course of business;

(20) Liens arising under customary provisions limiting the disposition or distribution of assets or property or any related restrictions thereon in operating agreements, joint venture agreements, partnership agreements, contracts for sale and other agreements arising in the ordinary course of business; *provided*, *that* such Liens do not extend to any assets of the Company or any of its Restricted Subsidiaries other than the assets subject to such agreements or contracts;

(21) Liens on deposits made in the ordinary course of business to secure liability to insurance carriers;

(22) Liens on the Equity Interests of Unrestricted Subsidiaries;

(23) Liens created or Incurred under, pursuant to or in connection with the Services and Right to Use Agreement or the Reinvestment Agreement, including Liens on any revenues or receipts thereunder or any accounts created or maintained thereunder;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries of the Company securing obligations of such joint ventures;

(25) Liens securing Indebtedness Incurred pursuant to Section 4(b)(xvii) of Schedule 10 (*Covenants*);

(26) Liens incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to Obligations that do not exceed US$5.0 million at any one time outstanding; and

(27) Liens securing obligations under a debt service reserve account or interest reserve account (including all dividends, instruments, cash and Cash Equivalents and other property, as applicable, on deposit in such account) established for the benefit of creditors securing Indebtedness to the extent such debt service reserve account or interest reserve account is established in the ordinary course of business consistent with past practice.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (*plus* all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Facilities Liabilities, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Facilities Liabilities on terms at least as favorable to the Finance Parties as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is Incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Phase I*" means the approximately 477,110 gross square-meter complex on the Site which contains retail, hotel, gaming, entertainment, food and beverage outlets and entertainment studios and other facilities.

"*Phase II Project*" means the development of the remainder of the Site, which is expected to include one or more types of Permitted Business and will be developed in accordance with the applicable governmental requirements regarding the Site.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"*Pre-Opening Expenses*" means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred with respect to capital projects that are classified as "pre-opening expenses" on the applicable financial statements of the Company and its Restricted Subsidiaries for such period, prepared in accordance with U.S. GAAP.

"*Property*" means Phase I and the Phase II Project.

"*Reinvestment Agreement*" means the Reimbursement Agreement.

"*Related Party*" means*:*

(1) any controlling stockholder or majority-owned Subsidiary of Melco Resorts; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding at least 50.1% interest of which consist of Melco Resorts and/or such other Persons referred to in the immediately preceding clause (1).

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revenue Sharing Agreement*" means any joint venture, development, management, operating or similar agreement or arrangement for the sharing of revenues, profits, losses, costs or expenses entered into in connection with developments or services complementary or ancillary to the Property in the ordinary course of business (including, for the avoidance of doubt, such agreements or arrangements reasonably necessary to conduct a Permitted Business) and on arms' length terms.

"*S&P*" means S&P Global Ratings or any successor to the rating agency business thereof.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Notes*" means the 2025 Notes, the 2028 Notes and the 2029 Notes.

"*Senior Notes Guarantees*" means the 2025 Notes Guarantees, the 2028 Notes Guarantees and the 2029 Notes Guarantees.

"*Senior Notes Indentures*" means the 2025 Notes Indenture, the 2028 Notes Indenture and the 2029 Notes Indenture.

"*Senior Notes Trustee*" means each of the 2025 Notes Trustee, the 2028 Notes Trustee, and the 2029 Notes Trustee.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent holding company of the Company (or Melco Resorts), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Shareholder Subordinated Debt; *provided that* such Shareholder Subordinated Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the last Final Repayment Date of the Facilities (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the last Final Repayment Date of the Facilities;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the last Final Repayment Date of the Facilities;

(4) is not secured by a Lien on any assets of the Company or a Restricted Subsidiary of the Company and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Facilities Liabilities in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Facilities Liabilities or compliance by the Company with its obligations under the Finance Documents;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the last Final Repayment Date of the Facilities other than into or for Capital Stock (other than Disqualified Stock) of the Company.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the 2021 Amendment and Restatement Effective Date.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the 2021 Amendment and Restatement Effective Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Studio City Casino*" means any casino, gaming business or activities conducted at the Site.

"*Studio City International*" means Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Studio City Parties*" means Studio City International, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Retail Services Limited, Studio City Developments Limited, Studio City Ventures Limited, Studio City Services Limited and any other Person which accedes to the MSA as a "Studio City Party" pursuant to terms thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Company, any Indebtedness of the Company which is by its terms subordinated in right of payment to the Facilities Liabilities, and (b) with respect to any Subsidiary Guarantor, any Indebtedness of such Subsidiary Guarantor which is by its terms subordinated in right of payment to such Subsidiary Guarantor's Obligations in respect of the Facilities Liabilities.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantor*" means the Borrower and each Guarantor from time to time.

"*Total Assets*" means, as of any date, the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with U.S. GAAP as shown on the most recent balance sheet of such Person.

"*Transactions*" means the offering of the Senior Notes and the offer to purchase and/or redemption, as the case may be, of the 2016 7.250% Studio City Company Notes as described in the Offering Memorandum.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 6 of Schedule 10 (*Covenants*), is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

"*U.S. GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

Signatures

Original signature pages removed in amended and restated version

Schedule 2
Conditions Precedent

1. **Constitutional documents**

(a) A copy of the Constitutional Documents of each Obligor, SCH5 and Melco Resorts Macau.

(b) A copy of an up-to-date certificate of incumbency in respect of each Obligor incorporated in the British Virgin Islands and SCH5, issued by its respective registered agent.

(c) A copy of a certificate of good standing in respect of each Obligor incorporated in the British Virgin Islands and SCH5, issued by Registrar of Corporate Affairs in the British Virgin Islands.

2. **Corporate documents**

(a) A copy of a resolution of the board of directors of each Obligor, SCH5 and Melco Resorts Macau (save if such resolution is not required under the law of incorporation or the Constitutional Documents of that Obligor or SCH5 (as applicable)) approving the terms of, and the transactions contemplated by, the documents referred to in paragraph 3 of this Schedule 2 to which it is a party (the "**Documents**") and resolving that it execute, deliver and perform the Documents; authorising a specified person or persons to execute the Documents; and authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices under or in connection with the Documents.

(b) A copy of the shareholders' resolutions of each Obligor (except for the Borrower, the Parent and each Obligor incorporated in the Macau SAR) and SCH5 approving the terms of, and the transactions contemplated by, the Documents.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph 2(a) above who will sign (or has signed) any of the Documents.

(d) A certificate of an authorised signatory of the Parent certifying that each copy document relating to each Obligor specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement and will not have been amended or superseded as of the Effective Date.

(e) A certificate of an authorised signatory of SCH5 certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement and will not have been amended or superseded as of the Effective Date.

(f) A certificate of an authorised signatory of Melco Resorts Macau certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement and will not have been amended or superseded as of the Effective Date.

3. **Documents**

(a) A copy of this Agreement duly entered into by the parties thereto.

(b) A copy of each Confirmatory Security Document entered into by the parties thereto.

4. **Legal Opinions**

(a) A legal opinion in relation to English law from White & Case, legal advisers to the Agent, substantially in the form distributed to the Agent prior to the signing of this Agreement.

(b) A legal opinion in relation to Hong Kong law from White & Case, legal advisers to the Agent, substantially in the form distributed to the Agent prior to the signing of this Agreement.

(c) A legal opinion in relation to Macanese law from Henrique Saldanha Advogados & Notários, legal advisers to the Agent, substantially in the form distributed to the Agent prior to the signing of this Agreement.

(d) A legal opinion in relation to British Virgin Islands law from Maples and Calder (Hong Kong) LLP, legal advisers to the Agent, substantially in the form distributed to the Agent prior to the signing of this Agreement.

5. **Fees and expenses**

Evidence that all Taxes, fees, costs and expenses then due and payable from the Borrower under this Agreement have been or will be paid on, prior to or shortly after the Effective Date.

6. **Other documents and evidence**

(a) A copy of the Group Structure Chart.

(b) The audited consolidated financial statements of the Group for the financial year ending 31 December 2019 and the unaudited consolidated financial statements of the Group for the financial half-year ending 30 June 2020.

(c) Evidence that the agents of the Obligors and SCH5 under the Amendment Transaction Documents for service of process in England and Hong Kong respectively have accepted their appointments.

Schedule 3
Confirmatory Security Documents

Part 1
Offshore Confirmatory Security

1. A second composite deed of confirmatory security to be entered into (among others) by the Borrower, the Parent, Studio City Holdings Two Limited and SCP Holdings Limited with respect to:

   (a) the charge over all present and future shares of the Borrower held by the Parent, granted by the Parent dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (b) the charge over all present and future shares of Studio City Holdings Two Limited held by the Borrower, granted by the Borrower dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (c) the charge over all present and future shares in Studio City Holdings Three Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (d) the charge over all present and future shares in Studio City Holdings Four Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (e) the charge over all present and future shares in SCP Holdings Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (f) the charge over all present and future shares in SCIP Holdings Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (g) the charge over all present and future shares in SCP One Limited held by SCP Holdings Limited, granted by SCP Holdings Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (h) the charge over all present and future shares in SCP Two Limited held by SCP Holdings Limited, granted by SCP Holdings Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(i) the composite deed of confirmatory security entered into (among others) by the Borrower, the Parent, Studio City Holdings Two Limited and SCP Holdings Limited dated 1 December 2016 (as amended, novated, supplemented, extended, replaced or restated from time to time).

2. A second deed of confirmatory security to be entered into (among others) by the Borrower, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited, with respect to:

(a) the debenture entered into (amongst others) by the Borrower, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(b) the deed of confirmatory security entered into (among others) by the Borrower, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited dated 1 December 2016 (as amended, novated, supplemented, extended, replaced or restated from time to time).

3. A second deed of confirmatory security to be entered into by SCH5 and the Common Security Agent with respect to:

(a) the debenture entered into by SCH5 and the Common Security Agent as security agent dated 18 September 2015 (as amended by a deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(b) the deed of confirmatory security entered into by SCH5 and the Common Security Agent dated 1 December 2016 (as amended, novated, supplemented, extended, replaced or restated from time to time).

4. A second composite account charge deed of confirmatory security to be entered into (among others) by the Borrower, the Parent, Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and SCIP Holdings Limited with respect to:

(a) the charge over certain accounts of the Borrower held in the Hong Kong SAR, granted by the Borrower dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the charge over certain accounts of the Parent held in the Hong Kong SAR, granted by the Parent dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(c) the charge over certain accounts of Studio City Developments Limited held in the Hong Kong SAR, granted by Studio City Developments Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(d) the charge over certain accounts of Studio City Entertainment Limited held in the Hong Kong SAR, granted by Studio City Entertainment Limited (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(e) the charge over certain accounts of Studio City Hotels Limited held in the Hong Kong SAR, granted by Studio City Hotels Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(f) the charge over certain accounts of Studio City Services Limited held in the Hong Kong SAR, granted by Studio City Services Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(g) the charge over certain accounts of Studio City Hospitality and Services Limited held in the Hong Kong SAR, granted by Studio City Hospitality and Services Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(h) the charge over certain accounts of Studio City Retail Services Limited held in the Hong Kong SAR, granted by Studio City Retail Services Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(i) the charge over certain accounts of SCIP Holdings Limited held in the Hong Kong SAR, granted by SCIP Holdings Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(j) the composite account charge deed of confirmatory security entered into (among others) by the Borrower, the Parent, Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and SCIP Holdings Limited dated 1 December 2016 (as amended, novated, supplemented, extended, replaced or restated from time to time).

5. A second deed of confirmatory security to be entered into (among others) by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City Services Limited with respect to:

(a) the charge over all present and future shares in SCHK2 held by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited and Studio City Retail Services Limited dated 30 July 2018 (as amended and restated by a deed of confirmatory security dated 1 February 2019 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(b) the deed of confirmatory security entered into (among others) by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City Services Limited dated 1 February 2019 (as amended, novated, supplemented, extended, replaced or restated from time to time).

6. A deed of confirmatory security to be entered into by SCHK2 and the Common Security Agent with respect to the debenture entered into by SCHK2 and the Common Security Agent dated 30 July 2018 (as amended, novated, supplemented, extended, replaced or restated from time to time).

Part 2
Confirmations for Onshore Security

1. A general composite confirmation to be entered into (among others) by Studio City Company Limited, Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Holdings Five Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited with respect to the following Macau law security documents:

   (a) the mortgage granted by Studio City Developments Limited over its rights under the Amended Land Concession dated 26 November 2013;

   (b) the power of attorney granted by Studio City Developments Limited dated 26 November 2013 supplementing the mortgage over its rights under the Amended Land Concession;

   (c) the promissory note issued by Studio City Company Limited dated 26 November 2013 and endorsed by Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and SCIP Holdings Limited (the "**Livrança**");

   (d) the covering letter dated 26 November 2013 in relation to the Livrança from Studio City Company Limited and acknowledged by Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and SCIP Holdings Limited;

   (e) the pledge over all present and future shares of Studio City Entertainment Limited held by Studio City Holdings Three Limited and Studio City Holdings Four Limited granted by Studio City Holdings Three Limited and Studio City Holdings Four Limited dated 26 November 2013;

   (f) the power of attorney granted by Studio City Holdings Three Limited dated 18 September 2015 regarding all its present and future shares in Studio City Entertainment Limited;

   (g) the power of attorney granted by Studio City Holdings Four Limited dated 18 September 2015 regarding all its present and future shares in Studio City Entertainment Limited;

   (h) the pledge over the share in Studio City Entertainment Limited held by Studio City Holdings Five Limited granted by Studio City Holdings Five Limited dated 18 September 2015;

   (i) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 regarding the share held in Studio City Entertainment Limited;

   (j) the pledge over all present and future shares in Studio City Hotels Limited held by Studio City Holdings Three Limited and Studio City Holdings Four Limited, granted by Studio City Holdings Three Limited and Studio City Holdings Four Limited dated 26 November 2013;

(k) the power of attorney granted by Studio City Holdings Three Limited dated 18 September 2015 regarding all its present and future shares in Studio City Hotels Limited;

(l) the power of attorney granted by Studio City Holdings Four Limited dated 18 September 2015 regarding all its present and future shares in Studio City Hotels Limited;

(m) the pledge over the share in Studio City Hotels Limited held by Studio City Holdings Five Limited, granted by Studio City Holdings Five Limited dated 18 September 2015;

(n) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 regarding the share held in Studio City Hotels Limited;

(o) the pledge over all present and future shares in Studio City Developments Limited held by SCP Holdings Limited, SCP One Limited and SCP Two Limited, granted by SCP Holdings Limited, SCP One Limited and SCP Two Limited dated 26 November 2013;

(p) the power of attorney granted by SCP Holdings Limited dated 18 September 2015 regarding all its present and future shares in Studio City Developments Limited;

(q) the power of attorney granted by SCP One Limited dated 18 September 2015 regarding all its present and future shares in Studio City Developments Limited;

(r) the power of attorney granted by SCP Two Limited dated 18 September 2015 regarding all its present and future shares in Studio City Developments Limited;

(s) the pledge over the share in Studio City Developments Limited held by Studio City Holdings Five Limited, granted by Studio City Holdings Five Limited dated 18 September 2015 ;

(t) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 regarding the share held in Studio City Developments Limited;

(u) the pledge over all present and future shares in Studio City Retail Services Limited held by Studio City Services Limited and Studio City Hospitality and Services Limited, granted by Studio City Services Limited and Studio City Hospitality and Services Limited dated 26 November 2013;

(v) the pledge over all present and future shares in Studio City Hospitality and Services Limited held by Studio City Services Limited, granted by Studio City Services Limited dated 26 November 2013;

(w) the pledge over all present and future shares of Studio City Services Limited held by Studio City Company Limited and Studio City Holdings Two Limited, granted by Studio City Company Limited and Studio City Holdings Two Limited dated 26 November 2013;

(x) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 to terminate certain preference right agreements pursuant to which Studio City Holdings Five Limited was given preference in the acquisition of certain shares and the assignment of the interest in the Amended Land Concession;

(y) the floating charge over substantially all assets of Studio City Developments Limited, granted by Studio City Developments Limited dated 26 November 2013;

(z) the floating charge over substantially all assets of Studio City Entertainment Limited, granted by Studio City Entertainment Limited dated 26 November 2013;

(aa) the floating charge over substantially all assets of Studio City Services Limited, granted by Studio City Services Limited dated 26 November 2013;

(bb) the floating charge over substantially all assets of Studio City Hospitality and Services Limited, granted by Studio City Hospitality and Services Limited dated 26 November 2013;

(cc) the floating charge over substantially all assets of Studio City Hotels Limited, granted by Studio City Hotels Limited dated 26 November 2013;

(dd) the floating charge over substantially all assets of Studio City Retail Services Limited, granted by Studio City Retail Services Limited dated 26 November 2013;

(ee) the pledge over certain onshore accounts of Studio City Company Limited held in the Macau SAR, granted by Studio City Company Limited dated 26 November 2013;

(ff) the pledge over certain onshore accounts of Studio City Developments Limited held in the Macau SAR, granted by Studio City Developments Limited dated 26 November 2013;

(gg) the pledge over certain onshore accounts of Studio City Entertainment Limited held in the Macau SAR, granted by Studio City Entertainment Limited dated 26 November 2013;

(hh) the pledge over certain onshore accounts of Studio City Hotels Limited held in the Macau SAR, granted by Studio City Hotels Limited dated 26 November 2013;

(ii) the pledge over certain onshore accounts of Studio City Services Limited held in the Macau SAR, granted by Studio City Services Limited dated 26 November 2013;

(jj) the pledge over certain onshore accounts of Studio City Hospitality and Services Limited held in the Macau SAR, granted by Studio City Hospitality and Services Limited dated 26 November 2013;

(kk) the pledge over certain onshore accounts of Studio City Retail Services Limited held in the Macau SAR, granted by Studio City Retail Services Limited dated 26 November 2013; and

(ll) the pledge over certain onshore accounts of SCIP Holdings Limited held in the Macau SAR, granted by SCIP Holdings Limited dated 26 November 2013;

(mm) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Developments Limited;

(nn) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Entertainment Limited;

(oo) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Hotels Limited;

(pp) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Services Limited;

(qq) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Hospitality and Services Limited; and

(rr) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Retail Services Limited.

2. A specific composite confirmation to be entered into (among others) by Melco Resorts (Macau) Limited, Studio City Developments Limited, Studio City Hotels Limited, Studio City Company Limited, Studio City Holdings Five Limited and Studio City Entertainment Limited with respect to the following Macau law security documents:

(a) the assignment of the Services and Right to Use Agreement granted by Studio City Entertainment Limited dated 26 November 2013;

(b) the assignment of the Reimbursement Agreement granted by Studio City Entertainment Limited dated 26 November 2013; and

(c) the direct agreement in relation to (i) the Services and Right to Use Agreement; and (ii) the Reimbursement Agreement, granted by Studio City Company Limited, Studio City Entertainment Limited, Studio City Developments Limited, Studio City Hotels Limited, Melco Resorts (Macau) Limited and Studio City Holdings Five Limited dated 26 November 2013.

3. A specific confirmation to be entered into (among others) by Melco Resorts (Macau) Limited and Studio City Entertainment Limited with respect to the pledge over accounts granted by Melco Resorts (Macau) Limited and Studio City Entertainment Limited, over (i) accounts of Melco Resorts (Macau) Limited in respect of the Service and Right to Use Agreement and (ii) the Trust Account (as defined in the Service and Right to Use Agreement) dated 26 November 2013.

4. A specific confirmation to be entered into by Studio City Company Limited with respect to the pledge over cash collateral account granted by Studio City Company Limited, over the Account held with the Account Bank and the Deposit in relation to the Account (each as defined therein) dated 1 December 2016.

Signatures

THE PARENT

STUDIO CITY INVESTMENTS LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

THE BORROWER

STUDIO CITY COMPANY LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

THE OTHER OBLIGORS

STUDIO CITY HOLDINGS TWO LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY HOLDINGS THREE LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY HOLDINGS FOUR LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

SCP HOLDINGS LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

SCP ONE LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

SCP TWO LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

SCIP HOLDINGS LIMITED, a BVI business company incorporated under the laws of the British Virgin Islands

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY ENTERTAINMENT LIMITED, a company incorporated under the laws of the Macau SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY SERVICES LIMITED, a company incorporated under the laws of the Macau SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY HOTELS LIMITED, a company incorporated under the laws of the Macau SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY HOSPITALITY AND SERVICES LIMITED, a company incorporated under the laws of the Macau SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY DEVELOPMENTS LIMITED, a company incorporated under the laws of the Macau SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY RETAIL SERVICES LIMITED, a company incorporated under the laws of the Macau SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

STUDIO CITY (HK) TWO LIMITED (新濠影匯(香港)第二有限公司), a limited liability company incorporated under the laws of the Hong Kong SAR

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes

THE COMMON SECURITY AGENT

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

By: /s/ Chan Kam Lun
Name:

By: /s/ Zheng Zhi Guo
Name:

THE POA AGENT

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

By: /s/ Chan Kam Lun
Name:

By: /s/ Zheng Zhi Guo
Name:

THE AGENT

BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/ Wong Iao Kun
Name: WONG IAO KUN

By:
Name:

Exhibit 2.37

EXECUTION VERSION

WHITE & CASE

Dated 29 April 2020

Facility Agreement

HKD14,850,000,000 Revolving Credit Facility

between

MCO Nominee One Limited
as Company

Bank of China Limited, Macau Branch
Bank of Communications Co., Ltd. Macau Branch and
Morgan Stanley Senior Funding, Inc.,
as Joint Global Coordinators

Banco Nacional Ultramarino, S.A.,
Bank of China Limited, Macau Branch,
Bank of Communications Co., Ltd. Macau Branch
Deutsche Bank AG, Singapore Branch
Industrial and Commercial Bank of China (Macau) Limited and
Morgan Stanley Senior Funding, Inc.
as Senior Mandated Lead Arrangers and Bookrunners

Bank of China Limited, Macau Branch
as Agent

and

The Financial Institutions listed herein
as Original Lenders

White & Case
9th Floor Central Tower
28 Queen's Road Central
Hong Kong

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This Agreement is made on 29 April 2020

Between:

(1) **MCO Nominee One Limited**, an exempted company incorporated with limited liability in the Cayman Islands with its registered office at c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands and with registration number 187717 ("**Company**");

(2) **Bank of China Limited, Macau Branch**, **Bank of Communications Co., Ltd. Macau Branch** and **Morgan Stanley Senior Funding, Inc.**, as joint global coordinators (the "**Coordinators**");

(3) **Banco Nacional Ultramarino, S.A.**, **Bank of China Limited, Macau Branch**, **Bank of Communications Co., Ltd. Macau Branch**, **Deutsche Bank AG, Singapore Branch**, **Industrial and Commercial Bank of China (Macau) Limited** and **Morgan Stanley Senior Funding, Inc.** as senior mandated lead arrangers and bookrunners (the "**Arrangers**");

(4) **The financial institutions** listed in Part 2 of Schedule 1 (*Original Parties*) as Original Lenders (the "**Original Lenders**"); and

(5) **Bank of China Limited, Macau Branch** as facility agent of the other Finance Parties (the "**Agent**").

It is agreed as follows:

Section 1
Interpretation

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency;

(b) Banco Nacional Ultramarino, S.A.;

(c) Bank of China Limited, Macau Branch;

(d) any Finance Party or an Affiliate of any Finance Party; or

(e) any other bank or financial institution approved by the Agent.

"**Additional Lender**" has the meaning given to that term in paragraph (f) of Clause 7.2 (*Availability and establishment of Incremental Facilities*).

"**Affiliate**" means, in relation to any person, any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person. For purposes of this definition, "**control**" means, in relation to a person, the power, directly or indirectly, to (a) vote 20 per cent. or more of the shares or other securities having ordinary voting power for the election of the board of directors (or persons performing similar functions) of such person or (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

"**Affiliate Agreement**" means any agreement entered into by a Group Member with an Affiliate which is not a Group Member in connection with the supply of goods or services to such Group Member by such Affiliate (or by such Group Member to such Affiliate) involving the payment or expenditure by any party thereto or any other flow of funds in excess of USD1,000,000 (or its equivalent in other currencies).

"**Agent's Spot Rate of Exchange**" means the Agent's spot rate of exchange for the purchase of one currency with the Base Currency in the Hong Kong foreign exchange market at or about 11:00 a.m. (Hong Kong time) on a particular day.

"**Altira Project**" means the ownership, maintenance and (in the case of the hotel) operation of a hotel and casino or gaming area on the Altira Site by Altira Resorts Limited and the leasing, operation and management of any casino or gaming area comprised therein by Melco Resorts Macau (including the ownership, operation and maintenance of any associated gaming equipment and utensils) in accordance with the Subconcession.

"**Altira Site**" means the land described in the Land Concession in relation to the Altira Project.

"**Anti-Bribery and Corruption Laws**" has the meaning given to that term in Clause 21.20 (*Anti-corruption*).

"**APLMA**" means the Asia Pacific Loan Market Association.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Auditors**" means (a) any one of PricewaterhouseCoopers, Ernst & Young, KPMG and Deloitte & Touche; or (b) any Affiliate of any auditor referred to in (a) or any entity resulting from amalgamation of any auditor referred to in (a); or (c) any firm of independent public accountants with an established national reputation; in each case that has the necessary skills and experience to audit a group of companies such as the Group.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Authorised Representative**" means (a) the chief executive officer, the chief financial officer and any director of the Company and (b) any director, the chief executive officer, chief financial officer and chief legal officer of Melco.

"**Availability Period**" means:

(a) in relation to the Initial Facility, the period from and including the date of this Agreement up to and including the date falling one Month prior to the Termination Date applicable to the Initial Facility; and

(b) in relation to an Incremental Facility, the availability period specified in the Incremental Facility Notice relating to that Incremental Facility.

"**Available Commitment**" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Utilisation under the Initial Facility or any Incremental Revolving Credit Facility only, that Lender's participation in any Loans under that Facility that are due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from a Lender's Commitment under that Facility.

"**Available Facility**" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"**Base Currency**" means Hong Kong dollars.

"**Base Currency Amount**" means:

(a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by the Company for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three (3) Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement), as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation; and

(b) in relation to any other amount as at any date which is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on that date.

"**Bond Guarantee**" means each guarantee given by a Group Member in respect of any Bondco Indebtedness.

"**Bondco**" means Melco Resorts Finance Limited (formerly known as MCE Finance Limited), a company incorporated in the Cayman Islands with limited liability.

"**Bondco Indebtedness**" means any Financial Indebtedness owed by Bondco.

"**Break Costs**" means the amount (if any) by which:

(a) the interest excluding the Margin which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in the Macau SAR, the Hong Kong SAR and:

(a) (in relation to any date for payment or purchase of a currency other than the Base Currency or euro) the principal financial centre of the country of that currency;

(b) (in relation to any date for payment or purchase of euro) any TARGET Day; or

(c) (for the purpose of determining LIBOR) London.

"**Capital Stock**" means:

(a) (where used in the definition of "Change of Control" set out in Clause 10.1 (*Definitions*)):

(i) in the case of a corporation, corporate stock;

(ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(iii) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(iv) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock; and

(b) (where used elsewhere in this Agreement or any other Finance Document) any and all shares, interest, participations or other equivalents (howsoever designated) of capital stock of a corporation, any and all classes of membership interests in a limited liability company, any and all classes of partnership interests in a partnership, any and all equivalent ownership interests in a person and any and all agreements, warrants, rights or options to acquire any of the foregoing.

"**Capitalised Lease Obligations**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Cash**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**City of Dreams Project**" means the ownership, operation and maintenance of a resort-hotel-casino on the City of Dreams Site by COD Resorts Limited (formerly known as Melco Crown (COD) Developments Limited), the ownership or leasing and the operation and management of any casino or gaming area comprised therein by Melco Resorts Macau (including the ownership, operation and maintenance of any associated gaming equipment and utensils) in accordance with the Subconcession.

"**City of Dreams Site**" means the land described in the Land Concession for the City of Dreams Project.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means an Initial Facility Commitment or an Incremental Facility Commitment.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 6 (*Form of Compliance Certificate*).

"**Concession Guarantee**" means:

(a) any guarantee reimbursement obligations under the Subconcession Bank Guarantee Facility Agreement in an aggregate amount not exceeding MOP550,000,000 at any time; and

(b) any guarantees for the arrangement of cash or deposit collateral for any Land Concession or Subconcession.

"**Concession Guarantee Facility**" means:

(a) the facility extended to Melco Resorts Macau by the Subconcession Bank Guarantor in accordance with the terms of the Subconcession Bank Guarantee Facility Agreement for the issuance of the Subconcession Bank Guarantee; and

(b) any other facility extended to a Group Member for the issuance of any Concession Guarantee.

"**Confidential Information**" means all information relating to any of the Sponsors, the Melco Group, the Company, the Group, the Excluded Subsidiaries, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 39 (*Disclosure of Information*); or

(B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate or Reference Bank Quotation.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Company and the Agent.

"**Constitutional Documents**" means, collectively, in relation to any person, any certificate of incorporation, memorandum and articles of association, bylaws, shareholders' agreement, certificate of formation, limited liability company agreement, partnership agreement and any other formation or constituent documents applicable to such person.

"**Core Asset**" means:

(a) the Relevant Property and the buildings constructed thereon owned by a member of the Group; and

(b) the Material Documents,

in each case, to the extent required for any Project but excluding any asset or interest in land required solely for the Mocha Business and/or any Excluded Project.

"**Corporate Structure Chart**" means the corporate structure chart in the agreed form prepared by the Company and delivered to the Arrangers prior to the date of this Agreement, describing the ownership structure of the Group and the Sponsor Group Shareholders, certain of the Group's assets (including the Subconcession) and addressed to and capable of being relied upon by the Finance Parties.

"**Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment (or any commitment represented thereby) or amount outstanding under this Agreement.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 25 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination in accordance with the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender (other than a Lender which is a Sponsor Affiliate):

(a) which has failed to make its participation in a Loan available (or has notified the Agent or the Company (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*);

(b) which has otherwise rescinded or repudiated a Finance Document;

(c) whose Commitments are subject to any Bail-in Action; or

(d) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within two (2) Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"**Environmental Law**" means any applicable law or regulation which relates to:

(a) the pollution or protection of the environment;

(b) harm to or the protection of human health;

(c) the conditions of the workplace; or

(d) any emission or substance capable of causing harm to any living organism or the environment.

"**Environmental Permits**" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

"**Event of Default**" means any event or circumstance specified as such in Clause 25 (*Events of Default*).

"**Excluded Project**" means any gaming, entertainment, hotel or resort related business, development, project, undertaking or venture of any kind (other than any Projects and the Mocha Business) and including (except as otherwise designated as a "Project" under this Agreement), without limitation:

(a) such business, development or undertaking at the Hotel Taipa Square in Macau SAR;

(b) such business, projects development, undertaking or venture at or comprised in the Studio City development in Macau SAR; and

and any other property development or management business or undertaking or any other business necessary for, incidental to, arising out of, supportive of or connected to any such business, development, project, undertaking or venture, in each case carried out by an Excluded Subsidiary or other person outside the Group or, in the case of any casino or gaming related business, development, project, undertaking or venture, Melco Resorts Macau, provided that the foregoing neither involves nor permits any claim, interest, liability or right of recourse of any kind in connection therewith against, or the creation of any security interest over, any Core Asset save as permitted (or contemplated by any agreement, document, transaction or other thing permitted) by the Finance Documents and (in respect of Melco Resorts Macau) contemplated by or arising under or in connection with any Excluded Project Agreement or Excluded Project Operation Agreement.

"**Excluded Project Agreement**" means any agreement (including the Services and Right to Use Agreement and any Lease Agreement) entered into by Melco Resorts Macau in respect of or relating to any casino or gaming related business, development, project, undertaking or venture in an Excluded Project or any assets relating to or comprised therein.

"**Excluded Project Material Adverse Effect**" means a material adverse effect on:

(a) the business, operations, property or financial condition of the Group taken as a whole; or

(b) the ability of the Company and the Subsidiary Guarantors (taken as a whole) to perform their payment obligations under the Finance Documents; or

(c) subject to the Legal Reservations, the rights or remedies of any Finance Party under any of the Finance Documents.

"**Excluded Project Operation Agreement**" means any agreement entered into between, among others, Melco Resorts Macau, the Agent and any counterparty to an Excluded Project Agreement or other participant in or lender to an Excluded Project with regard to the enforcement of rights against and interests in Melco Resorts Macau and its assets.

"**Excluded Project Revenues**" means any Revenues paid, distributed or otherwise derived from or in connection with any Excluded Project, Excluded Project Agreement or Excluded Subsidiary or any right, title, benefit or interest in respect thereof or any realisation, Disposal or other dealing in respect of any of the foregoing (but not, for the avoidance of doubt, including any Revenues of any member of the Group under any agreement referred to in paragraph (d) of the definition of Permitted Transaction).

"**Excluded Subsidiary**" means any Subsidiary of Melco Resorts Macau:

(a) (i) which is MCO (Macau) Hotel Limited, MCO (Macau) Consulting Limited, Jumbo Watertours Limited or Melco International Investments (Henan) Limited or (ii) which becomes a Subsidiary of Melco Resorts Macau after the date of this Agreement and has been designated as such by the Company by way of written notice to the Agent; and

(b) whose assets and business form no part of nor are in any way necessary to ensure the full benefit of any Project to the Group.

"**Existing OpCo Facilities Agreement**" means the USD1,750,000,000 Senior Secured Term Loan and Revolving Credit Facilities Agreement dated 5 September 2007 entered into between, amongst others, Melco Resorts Macau as borrower and Deutsche Bank AG, Hong Kong Branch as agent, and most recently amended and restated by a Second Amendment And Restatement Agreement dated 19 June 2015 (as further amended or waived from time to time).

"**Existing OpCo Facility**" means each facility made available under the Existing OpCo Facilities Agreement.

"**Existing OpCo Facility Agent**" means the agent of the Existing OpCo Facility Finance Parties from time to time under the Existing OpCo Facilities Agreement.

"**Existing OpCo Facility Continuing Lender**" means Bank of China Limited, Macau Branch.

"**Existing OpCo Facility Continuing Lender Waiver**" means the waiver letter dated on or about the date of this Agreement from the Existing OpCo Facility Continuing Lender to Melco Resorts Macau, the Existing OpCo Facility Agent and the Existing OpCo Facility Security Agent in respect of the Existing OpCo Facility Agreement and a copy of which has been or is to be delivered to the Agent under or in connection with paragraph (a) of Clause 4.1 (*Initial conditions precedent*).

"**Existing OpCo Facility Finance Parties**" means the finance parties from time to time in respect of the Existing OpCo Facilities.

"**Existing OpCo Facility Security Agent**" means the security agent of the Existing OpCo Facility Finance Parties from time to time under the Existing OpCo Facilities Agreement.

"**Existing OpCo Loan**" means a loan made or to be made under any Existing OpCo Facility or the principal amount outstanding for the time being of that loan.

"**Existing OpCo Term Facility**" means the term loan facility made available under the Existing OpCo Facilities Agreement.

"**Existing OpCo Term Loan**" means an Existing OpCo Loan made under the Existing OpCo Term Facility.

"**Existing OpCo RCF**" means the revolving credit facility made available under the Existing OpCo Facilities Agreement.

"**Existing OpCo RCF Loan**" means an Existing OpCo Loan made under the Existing OpCo RCF.

"**Extended Loan**" means a Loan or part of a Loan in respect of which the Company and the relevant Lender(s) have agreed to amend certain terms pursuant to an Extension Agreement.

"**Extension Agreement**" has the meaning given to that term in Clause 38.3 (*Extension of Commitments*).

"**Facility**" means the Initial Facility and (as applicable and so designated in an Incremental Facility Notice) each Incremental Facility.

"**Facility Liabilities**" means all present and future liabilities and obligations at any time of any member of the Group to any Finance Party under or in connection with the Finance Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity, together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any person of a payment, prepayment, repayment, redemption, defeasance or discharge of any liability or obligation on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Facility Office**" means:

(a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means each letter or letters referring to this Agreement or any Facility between (a) on the one hand, the Company and (b) on the other, one or more of the Arrangers or the Agent and setting out any of the fees referred to in Clause 15 (*Fees*).

"**Final Termination Date**" means, at any time, the furthest dated Termination Date in respect of any Facility where the aggregate Commitments in respect of such Facility exceed zero.

"**Finance Document**" means:

(a) this Agreement;

(b) each Subsidiary Guarantee;

(c) the Subordination Deed and each other Third Party Creditor Document;

(d) any Fee Letter;

(e) any Compliance Certificate;

(f) any Selection Notice;

(g) any Transfer Certificate or Assignment Agreement;

(h) any Utilisation Request;

(i) any Incremental Facility Notice;

(j) any Incremental Lender Accession Deed;

(k) any Incremental Facility Document; and

(l) any other document designated as a "Finance Document" by the Agent and the Company.

"**Finance Party**" means each of the Agent, the Arrangers and the Lenders.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) monies borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any Capitalised Lease Obligations;

(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis (or where recourse is limited to customary warranties and indemnities));

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked-to-market value as at the relevant date on which Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(i) any amount raised by the issue of redeemable shares which are redeemable (other than solely at the option of the issuer) on or before the Final Termination Date ;

(j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and

(k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"**Financial Model**" means the final version of the financial model agreed between the Company and the Arrangers prior to the signing of this Agreement.

"**Financial Quarter**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Financial Year**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**First Test Date**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Funding Rate**" means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 14.2 (*Market disruption*).

"**GAAP**" means, in respect of Melco, the Company and other members of the Group, generally accepted accounting principles in the United States of America as in effect from time to time.

"**GBP**" or "**sterling**" denotes the lawful currency of the United Kingdom.

"**Governmental Authority**" means, as to any person, the government of the Macau SAR, any other national, state, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, in each case having jurisdiction over such person, or any arbitrator with authority to bind such person at law.

"**Group**" means the Company and each of its Subsidiaries for the time being (other than any Excluded Subsidiary) and "**Group Member**" shall mean any member of the Group.

"**Guarantee Restrictions**" means any restrictions of a type referred to in paragraph (b) of clause 2.1 (*Guarantee and indemnity*) of the MRM Subsidiary Guarantee (or any other restrictions that are similar in nature and/or effect).

"**Guarantors' Agent**" means the Company, appointed to act on behalf of each Subsidiary Guarantor in relation to the Subsidiary Guarantee to which that Subsidiary Guarantor is a party.

"**HIBOR**" means, in relation to any Loan denominated in HK dollars and any Interest Period relating thereto:

(a) the applicable Screen Rate;

(b) (if no Screen Rate is available for HK dollars for a period equal in length to the Interest Period of that Loan) the Interpolated Screen Rate; or

(c) (if no Screen Rate is available for a period equal in length to the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in HK dollars in the Relevant Interbank Market for the relevant period, were the relevant Reference Bank to do so by asking for and then accepting interbank offers for deposits in reasonably market size in HK dollars and for that period,

at or about 11:00 a.m. (Hong Kong time) on the Quotation Date for the Base Currency and for a period equal in length to the Interest Period of that Loan, **provided that** if any such rate is less than zero, such rate shall be deemed to be zero.

"**HKD**", "**Hong Kong dollars**" or "**HK dollars**" denotes the lawful currency of the Hong Kong SAR.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**Hong Kong SAR**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Impaired Agent**" means the Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of "Defaulting Lender"; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within two (2) Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Incremental Facility**" means an Incremental Revolving Credit Facility and/or an Incremental Term Loan Facility or (as the context may require for the mechanics of Clause 7) an Incremental Facility Increase.

"**Incremental Facility Commitments**" means any Incremental Revolving Credit Facility Commitments and/or Incremental Term Loan Facility Commitments or (as the context may require for the mechanics of Clause 7) Incremental Facility Increase Commitments.

"**Incremental Facility Document**" means, in relation to an Incremental Facility, each document relating to or evidencing the terms of that Incremental Facility.

"**Incremental Facility Increase**" has the meaning given to that term in paragraph (c) of Clause 7.1 *(Type of Facility*).

"**Incremental Facility Increase Commitments**" has the meaning given to that term in paragraph (g)(i) of Clause 7.2 (*Availability and establishment of Incremental Facilities*).

"**Incremental Facility Loan**" means a loan made or to be made under an Incremental Facility or the principal amount outstanding for the time being of that loan.

"**Incremental Facility Notice**" has the meaning given to that term in paragraph (b) of Clause 7.2 (*Availability and establishment of Incremental Facilities*).

"**Incremental Facility Termination Date**" means, in relation to an Incremental Facility, the date on which that Incremental Facility terminates, as agreed between the Company and the Lenders under that Incremental Facility in the Incremental Facility Notice or Incremental Facility Document applicable to that Incremental Facility.

"**Incremental Lender Accession Deed**" means a deed of accession substantially in the form set out in Schedule 7 (*Form of Incremental Lender Accession Deed*).

"Incremental Revolving Credit Facility" has the meaning given to that term in paragraph (b) of Clause 7.1 *(Type of Facility*).

"**Incremental Revolving Credit Facility Loan**" means a loan made or to be made under an Incremental Revolving Credit Facility or the principal amount outstanding for the time being of that loan.

"**Incremental Revolving Credit Facility Commitments**" has the meaning given to that term in paragraph (g)(i) of Clause 7.2 (*Availability and establishment of Incremental Facilities*) and, in relation to any Incremental Revolving Credit Facility, "**Incremental Revolving Credit Facility Commitment**" or "**Commitment**" means:

(a) in relation to an Original Incremental Facility Lender, the amount in the Base Currency of its Commitments in respect of that Incremental Revolving Credit Facility established pursuant to paragraph (k) of Clause 7.2 (*Availability and establishment of Incremental Facilities*) and the amount of any other Incremental Revolving Credit Facility Commitment in respect of that Incremental Revolving Credit Facility transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Incremental Revolving Credit Facility Commitment in respect of that Incremental Revolving Credit Facility transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Incremental Term Loan Facility**" has the meaning given to that term in paragraph (a) of Clause 7.1 *(Type of Facility*).

"**Incremental Term Loan Facility Commitments**" has the meaning given to that term in paragraph (g)(i) of Clause 7.2 (*Availability and establishment of Incremental Facilities*) and, in relation to any Incremental Term Loan Facility, "**Incremental Term Loan Facility Commitment**" or "**Commitment**" means:

(a) in relation to an Original Incremental Facility Lender, the amount in the Base Currency of its Commitments in respect of that Incremental Term Loan Facility established pursuant to paragraph (k) of Clause 7.2 (*Availability and establishment of Incremental Facilities*) and the amount of any other Incremental Term Loan Facility Commitment in respect of that Incremental Term Loan Facility transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Incremental Term Loan Facility Commitment in respect of that Incremental Term Loan Facility transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Indirect Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"**Initial Facility**" means the revolving credit facility made available pursuant to this Agreement as described in Clause 2.1 (*The Initial Facility*).

"**Initial Facility Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name in Part 2 of Schedule 1 (*Original Parties*) and the amount of any other Initial Facility Commitment transferred to it under this Agreement or established as its Commitments in respect of the Initial Facility by way of an Incremental Facility Increase pursuant to paragraph (k) of Clause 7.2 (*Availability and establishment of Incremental Facilities*); and

(b) in relation to any other Lender, the amount in the Base Currency of any Initial Facility Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Initial Facility Lender**" means a Lender that makes available an Initial Facility Commitment or participates in an Initial Facility Loan.

"**Initial Facility Loan**" means a loan made or to be made under the Initial Facility or the principal amount outstanding for the time being of that loan.

"**Initial Utilisation Date**" means the date of the first Utilisation under this Agreement.

"**Insolvency Event**" in relation to an entity means that the entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Interest Cover**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 13 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 12.3 (*Default interest*).

"**Interpolated Screen Rate**" means:

(a) in relation to HIBOR, the rate which results from interpolating on a linear basis (rounded to the same number of decimal places as the two relevant Screen Rates) between:

(i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of a Loan; and

(ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of 11:00 a.m. (Hong Kong time) on the Quotation Date for the Base Currency; and

(b) in relation to LIBOR, the rate which results from interpolating on a linear basis (rounded to the same number of decimal places as the two relevant Screen Rates) between:

(i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of a Loan; and

(ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of 11:00 a.m. (London time) on the Quotation Date for the Optional Currencies.

"**Key Asset**" means each of:

(a) the Land Concession for the City of Dreams Project;

(b) the City of Dreams Site;

(c) the buildings constructed on the City of Dreams Site and owned by a member of the Group comprising the City of Dreams Project; and

(d) the entire issued share capital in any person (directly or indirectly) owning any of the foregoing.

"**Land Concession**" means, in relation to:

(a) the Altira Project, the land concession between the Macau SAR and Altira Resorts Limited (formerly known as Altira Developments Limited) dated 20 February 2006 which forms an integral part of Dispatch number 20/2006 of the Secretary for Transport and Public Works of Macau SAR, as revised by the land concession amendment dated 10 December 2013 which forms an integral part of Dispatch 67/2013 of the Secretary for Transport and Public Works of Macau SAR;

(b) the City of Dreams Project, the land concession between the Macau SAR and COD Resorts Limited (formerly known as Melco Crown (COD) Developments Limited) dated 11 August 2008 of the Secretary for Transport and Public Works of Macau SAR which forms an integral part of Dispatch number 25/2008 of the Secretary for Transport and Public Works of Macau SAR as revised by a land concession amendment dated 2 September 2010 which forms an integral part of Dispatch 45/2010 of the Secretary for Transport and Public Works of Macau SAR, and by the land concession amendment dated 17 January 2014 which forms an integral part of Dispatch 5/2014 of the Secretary for Transport and Public Works of Macau SAR; and

(c) any new land concession which is granted to a Group Member in replacement of the land concessions mentioned in paragraphs (a) or (b) above.

"**Lease Agreement**" means an agreement between Melco Resorts Macau and the developer, owner or operator (as the case may be) of an Excluded Project or any part thereof in connection with the leasing (including by way of Occupational Lease), operation and management of a casino or gaming area by Melco Resorts Macau in such Excluded Project.

"**Legal Opinion**" means any legal opinion delivered to the Agent in connection with 4.1 (*Initial conditions precedent*) or otherwise in connection with any Finance Document.

"**Legal Requirements**" means all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, agreements and regulations of any Governmental Authority having jurisdiction over the matter in question.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under statutes of limitation;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; or

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"**Lender**" means:

(a) any Original Lender; and

(b) any person, bank, financial institution, trust, fund or other entity which has become a Party in accordance with or paragraph (h) of Clause 7.2 (*Availability and establishment of Incremental Facilities*) or Clause 26 (*Changes to the Lenders*),

which, in each case, has not ceased to be a Lender in accordance with this Agreement, and for which purposes the:

(i) termination in full of all of the Commitment(s) of any Lender; and

(ii) payment in full of all amounts which are payable to such Lender under the Finance Documents,

will result in that Lender ceasing to be regarded as a Lender for the purposes of and in relation to any provision of any of the Finance Documents requiring consultation with or the consent or approval of or instruction from all the Lenders, the Majority Lenders, any Majority Facility Lenders and/or any class or all the Lenders.

"**LIBOR**" means, in relation to any Loan denominated in US dollars and any Interest Period relating thereto:

(a) the applicable Screen Rate;

(b) (if no Screen Rate is available for US dollars for a period equal in length to the Interest Period of that Loan) the Interpolated Screen Rate; or

(c) (if no Screen Rate is available for a period equal in length to the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in US dollars in the Relevant Interbank Market for the relevant period, were the relevant Reference Bank to do so by asking for and then accepting interbank offers for deposits in reasonably market size in US dollars and for that period,

at or about 11:00 a.m. (London time) on the Quotation Date for Optional Currencies and for a period equal in length to the Interest Period of that Loan, **provided that** if any such rate is less than zero, such rate shall be deemed to be zero.

"**Liquidated Damages**" means any liquidated damages paid by any party (other than a Group Member) pursuant to any obligation, default or breach under the Material Documents (other than any Termination Proceeds), in each case net of any Taxes, costs and expenses incurred by any Group Member or its agents pursuant to transactions on arm's length terms (or such better terms for such Group Member) in connection with the collection, adjustment or settlement thereof.

"**Loan**" means an Initial Facility Loan or an Incremental Facility Loan.

"**Macau SAR**" means the Macau Special Administrative Region of the People's Republic of China.

"**Majority Facility Lenders**" means, in respect of any Facility, a Lender or Lenders whose Commitment(s) in respect of such Facility aggregate more than 50 per cent. of the aggregate Commitments of the Lenders in respect of such Facility (or, if the aggregate Commitments of the Lenders in respect of such Facility have been reduced to zero, aggregated more than 50 per cent. of the aggregate Commitments of the Lenders in respect of such Facility immediately prior to the reduction of such aggregate Commitments in respect of such Facility to zero).

"**Majority Lenders**" means:

(a) (for the purposes of paragraph (a) of Clause 38.1 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of the Initial Facility of the condition(s) in Clause 4.2 (*Further conditions precedent*)) a Lender or Lenders whose Initial Facility Commitments aggregate more than 50 per cent. of the Total Initial Facility Commitments; and

(b) (for the purposes of paragraph (a) of Clause 38.1 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of an Incremental Facility of the condition(s) in Clause 4.2 (*Further conditions precedent*)) a Lender or Lenders whose Incremental Facility Commitments (in respect of such Incremental Facility) aggregate more than 50 per cent. (or such other percentage as set out in the Incremental Facility Notice relating to such Incremental Facility) of the aggregate Incremental Facility Commitments in respect of such Incremental Facility; and

(c) (in any other case) a Lender or Lenders whose Commitment(s) aggregate more than 50 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 50 per cent. of the Total Commitments immediately prior to the reduction of the Total Commitments to zero).

"**Margin**" means:

(a) in relation to any Initial Facility Loan, 1.50 per cent. per annum;

(b) in relation to any Incremental Facility Loan, the percentage rate per annum as set out in the Incremental Facility Notice in respect of the Incremental Facility under which that Incremental Facility Loan is made or is to be made;

(c) in relation to any Unpaid Sum relating or referable to a Facility, the rate per annum specified above for that Facility; and

(d) in relation to any other Unpaid Sum, the highest rate specified above,

but if:

(i) no Event of Default has occurred and is continuing;

(ii) the Most Recent Senior Leverage is within a range set out below; and

(iii) at least six Months have elapsed since the Initial Utilisation Date,

then the Margin for each Incremental Facility will be the percentage per annum agreed with the Lenders in respect of that Incremental Facility and as indicated for that range in the Incremental Facility Notice for those Incremental Facility Commitments, and the Margin for the Initial Facility will be the percentage per annum set out below in the column opposite that range:

Most Recent Senior Leverage	**Margin (% per annum)**
Equal to or greater than 3.00:1	2.00
Less than 3.00:1 but equal to or greater than 2.50:1	1.75
Less than 2.50:1 but equal to or greater than 2.00:1	1.50
Less than 2.00:1 but equal to or greater than 1.50:1	1.375
Less than 1.50:1 but equal to or greater than 1.00:1	1.25
Less than 1.00:1	1.00

and, in each case, Margin for the purposes of paragraphs (c) and (d) above shall be determined accordingly.

However:

(A) any increase or decrease in the Margin for any Loan shall take effect from and including the first day of the Interest Period relating to that Loan commencing after the date on which the Compliance Certificate setting out such Most Recent Senior Leverage is delivered to the Agent pursuant to Clause 22.3 (*Provision and contents of Compliance Certificate*);

(B) if and for so long as an Event of Default has occurred and is continuing (and notwithstanding any of the conditions in (i) to (iii) above), the Margin for the Initial Facility (including for the purposes of paragraphs (c) and (d) above) shall be 2.00% per annum (or, in respect of any Incremental Facility, the highest percentage rate per annum set out in the Incremental Facility Notice in respect of that Incremental Facility), and, in each case, Margin for the purposes of paragraphs (c) and (d) above shall be determined accordingly;

(C) if, following receipt by the Agent of the Annual Financial Statements of the Group and related Compliance Certificate, those statements and Compliance Certificate do not confirm the basis for a reduced Margin or indicate that Margin should have been increased in accordance with this definition, then the provisions of Clause 12.2 (*Payment of interest*) shall apply and the Margin for each affected Facility and Loan shall be the percentage per annum determined using the table above and the revised Most Recent Senior Leverage calculated using the figures in the Compliance Certificate. The Agent's determination of the adjustments payable shall be *prima facie* evidence of such adjustments and the Agent shall, if so requested by the Company, provide the Company with reasonable details of the calculation of such adjustments; and

(D) for the purpose of determining the Margin, Most Recent Senior Leverage and Relevant Period shall be determined in accordance with Clause 23 (*Financial covenants*).

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, operations, property or financial condition of the Group taken as a whole; or

(b) the ability of the Company and the Subsidiary Guarantors (taken as a whole) to perform their payment obligations under the Finance Documents; or

(c) subject to the Legal Reservations, the validity or enforceability of any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents,

without taking account (for the purposes of paragraphs (a) and (b) above) of any contribution, loss or other effect of any kind (including any previous contribution, loss or effect) in any way comprised in, related to or derived from any Excluded Project Agreement, Excluded Project, Excluded Project Revenues or Excluded Subsidiary or any interest therein and which, in each case, is unrelated to any of the Projects.

"**Material Documents**" means the Subconcession and the Land Concession for the City of Dreams Project.

"**MCO Investments**" means MCO Investments Limited, a limited liability company incorporated in the Cayman Islands (with registered number 168835) with registered address: Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KYI-9005, Cayman Islands.

"**Melco**" means Melco Resorts & Entertainment Limited, a limited liability company incorporated in the Cayman Islands (with registered number 143119) with registered address: Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KYI-9005, Cayman Islands.

"**Melco Group**" means Melco and each of its Subsidiaries.

"**Melco International**" means Melco International Development Limited, a limited liability company incorporated in the Hong Kong SAR (with registered number 000099) and whose registered address is 38th floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

"**Melco Resorts Macau**" means Melco Resorts (Macau) Limited, a company incorporated under the laws of the Macau SAR (with registered number 24325 (SO)), whose registered office is Avenida da Praia Grande no. 594, 15. andar A, Macau, and formerly known as Melco Crown (Macau) Limited and formerly known as Melco Crown Gaming (Macau) Limited.

"**Mocha Business**" means the Mocha electronic gaming machine lounge business carried on by Melco Resorts Macau or any other member of the Group.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month and, consistent with the terms of this Agreement, that Interest Period is to be of a duration equal to a whole number of Months, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. "**Monthly**" shall be construed accordingly.

"**Most Recent Relevant Period**" means, as at any date, the most recently elapsed Relevant Period in respect of which Relevant Financial Statements for a period ending on the last day of such Relevant Period and the accompanying Compliance Certificate have been delivered to the Agent in accordance with Clauses 22.2 (*Financial statements*) and 22.3 (*Provision and contents of Compliance Certificate*), *provided that* if such date falls prior to the date on which the first set of Relevant Financial Statements and the accompanying Compliance Certificate shall have been delivered to the Agent in accordance with Clauses 22.2 (*Financial statements*) and 22.3 (*Provision and contents of Compliance Certificate*), then (a) the Most Recent Relevant Period as at such date shall be deemed to be the Relevant Period ending on the last date as at which the Original Financial Statements are prepared, (b) the Relevant Financial Statements for such Most Recent Relevant Period shall be deemed to be the Original Financial Statements and (c) the requirements under Clause 23.2 (*Financial condition*) applicable to the Relevant Period ending on the First Test Date shall be deemed to apply to such Most Recent Relevant Period for the purposes of any *pro forma* calculation of any of the requirements under Clauses 23.2 (*Financial condition*) and 23.3 (*Financial testing*).

"**Most Recent Senior Leverage**" means, at any time, Senior Leverage for the Most Recent Relevant Period as at such time.

"**New Shareholder Injection**" means the cash proceeds received by the Company after the Initial Utilisation Date in respect of (a) a subscription for fully paid ordinary shares of the Company and/or (b) any incurrence of Sponsor Group Loans or Subordinated Debt.

"**Obligor**" means the Company.

"**Occupational Lease**" means any lease, sub-lease, licence, tenancy or right to occupy, use or operate (or any agreement for the grant of any of the foregoing) to which a member of the Group's interest in a Property may be subject from time to time or which may be granted to a member of the Group.

"**Optional Currency**" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

"**Original Financial Statements**" means the audited consolidated financial statements for the financial year ended 31 December 2019 of the Company.

"**Original Incremental Facility Lenders**" has the meaning given to that term in paragraph (g)(i) of Clause 7.2 (*Availability and establishment of Incremental Facilities*).

"**Participation**" means a Debt Purchase Transaction other than a purchase falling within paragraph (a) of the definition thereof.

"**Party**" means a party to this Agreement.

"**Patacas**" or "**MOP**" denotes the lawful currency of the Macau SAR.

"**Permits**" means all approvals, licences, consents, permits, Authorisations, registrations and filings, necessary in connection with the execution, delivery, completion, implementation, perfection or performance, admission into evidence or enforcement of the Transaction Documents on the terms thereof and all material approvals, licences, consents, permits, Authorisations, registrations and filings required for the design, development, construction, ownership, maintenance, operation or management of the Projects and business of the Group as contemplated under the Transaction Documents.

"**Permitted Disposal**" means any Disposal:

(a) comprised in the grant of any lease, licence or right to occupy or use or equivalent interest made by any member of the Group in the ordinary course of business of the disposing entity with respect to any part of any Real Property or any enterprise of the disposing entity including, without limitation, in respect of restaurants, retail and entertainment outlets, hotel rooms or other facilities;

(b) of the registered strata title to any casino by the relevant Project Company to Melco Resorts Macau in accordance with or, as the case may be, after an amendment is made to and in accordance with, the relevant Land Concession to permit the registration of strata title and any such Disposal and subject to complying with the Subconcession and all other Legal Requirements;

(c) arising as a result of any Permitted Security; or

(d) not falling within any of the above paragraphs but made with the prior written consent of the Agent.

"**Permitted Group Financial Indebtedness**" means Financial Indebtedness:

(a) arising under the Finance Documents;

(b) existing on the date of this Agreement in respect of the Existing OpCo Facilities, **provided** that, on and from the close of business in the Macau SAR on the Business Day immediately after the First Utilisation Date, the aggregate principal amount of such Financial Indebtedness does not exceed HKD2,000,000 at any time;

(c) arising under any Concession Bank Guarantee Facility,

(d) in respect of any Sponsor Group Loan or Subordinated Debt, **provided** that all guarantees of such Financial Indebtedness provided by any Group Members are subordinated to the Facility Liabilities under the terms of the Subordination Deed;

(e) owed by any Group Member to any other Group Member;

(f) in respect of a Permitted Group Guarantee (other than paragraph (c) thereof) or arising under any interest rate hedging arrangements, spot and forward delivery foreign exchange contracts and any other treasury transactions, in each case entered into in the ordinary course of business or trading activities and not for speculative purposes;

(g) arising under current trade receivables and payables between (i) on the one hand, members of the Group and (ii) on the other, members of the Melco Group or Sponsor Group Shareholders, arising in the ordinary course of trading;

(h) in respect of any loans or other credit support from, or given directly on behalf of, at the direction of, or pursuant to any measure, scheme or policy initiative administered or enabled by, a Governmental Authority of the Macau SAR which is either:

(i) mandatorily extended to a member of the Group pursuant to applicable law, regulation or policy; or

(ii) offered to a member of the Group, if:

(A) no Event of Default under any of Clauses 25.1 (*Non payment*), 25.2 (*Financial covenants and other obligations*) in respect of Clause 24.18 (*Financial Indebtedness and guarantees*), 25.3 (*Other obligations*) in respect of Clause 24.13 (*Negative pledge*), 25.6 (*Insolvency*) or 25.7 (*Insolvency proceedings*) is continuing when such Financial Indebtedness is incurred;

(B) (x) on or before the date falling 10 Business Days prior to the incurrence of such Financial Indebtedness, the Company has notified the Agent in writing of the relevant Group Members' intention to incur such Financial Indebtedness and (y) on or before the date falling 1 Business Day prior to the incurrence of such Financial Indebtedness, the Company has not received written notice from the Agent that the Majority Lenders object to the incurrence of such Financial Indebtedness; and

(C) the Agent has received a certificate from an Authorised Representative confirming that he or she reasonably believes that not incurring such Financial Indebtedness would be materially prejudicial to the business, operations and/or financial condition of the Company;

(i) constituting Financial Indebtedness referred to in paragraph (r) of the definition of "Permitted Security", **provided** that each of the conditions set out in that paragraph have been satisfied; or

(j) not permitted by any of the preceding sub-paragraphs or as a Permitted Transaction and the outstanding amount of which (together with the outstanding amount of any guarantees that are solely permitted under paragraph (i) of the definition of "Permitted Group Guarantee") does not exceed USD125,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

"**Permitted Group Guarantee**" means:

(a) the endorsement of negotiable instruments in the ordinary course of trade;

(b) any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;

(c) any guarantee permitted under paragraph (c) of Clause 24.18 (*Financial Indebtedness and guarantees*) (including, without limitation, any guarantee granted in connection with the Existing OpCo Facilities before the date of this Agreement);

(d) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (d) of the definition of Permitted Security;

(e) any Concession Guarantee;

(f) any guarantees for the arrangement of cash or deposit collateral for any Land Concession or Subconcession;

(g) any Bond Guarantee provided by a Group Member other than the Company, **provided** that prior to incurring such Bond Guarantee (and at the cost of the Company):

(i) each Group Member that is providing the Bond Guarantee guarantees the Facility Liabilities (in form and substance satisfactory to the Majority Lenders (acting reasonably)) as a primary and not a secondary obligation without any Guarantee Restrictions and as its senior obligation;

(ii) the Company, each Group Member that is providing the Bond Guarantee, Bondco and the notes trustee and any other applicable administrative parties in respect of the relevant Bondco Indebtedness have either:

(A) entered into an intercreditor agreement (in form and substance satisfactory to the Majority Lenders (acting reasonably) and including, without limitation, arrangements for the creditors to turn over to a common paying agent recoveries from the realisation or enforcement of claims against their respective debtors (including, without limitation, by way of distribution from the insolvent estate of such debtors) for application pursuant to a customary pro rata waterfall of distribution and for equalisation in case of uneven recourse) with the Agent and a common paying agent acceptable to the Finance Parties (acting reasonably), which agreement has been designated as a Third Party Creditor Document; or

(B) entered into a subordination agreement with the Agent on terms and conditions that are substantially similar to the Subordination Deed (and in form and substance satisfactory to the Majority Lenders (acting reasonably)), which agreement has been designated as a Third Party Creditor Document,

and, in each case, provided to the Agent any other documentation and other evidence required by the Agent (acting reasonably) in connection therewith (in form and substance satisfactory to the Agent); and

(iii) the Agent has received:

(E) a certificate from the Company confirming that (to the satisfaction of the Majority Lenders, acting reasonably) Senior Leverage and Total Leverage for the Most Recent Relevant Period ending prior to the first incurrence of such Financial Indebtedness, in each case determined on a *pro forma* basis giving effect to the incurrence of such Bond Guarantee (when taken together with all other Bond Guarantees), would not exceed the applicable ratio set forth opposite the Test Date for that Most Recent Relevant Period in Clause 23 (*Financial covenants*), setting out (in reasonable detail) computations of such compliance and signed by an Authorised Representative;

(F) such customary legal opinions in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, acting reasonably) and any documents required in connection therewith; and

(G) (x) evidence in form and substance satisfactory to the Agent (acting reasonably) that any Authorisation required from a Governmental Authority (including of the government of Macau SAR) for the purposes of guaranteeing the Facility Liabilities and such other Financial Indebtedness has been obtained or (y) advice from Macanese counsel that no such Authorisations are required from any Governmental Authority;

(h) a guarantee given by a member of the Group for Financial Indebtedness incurred by:

(i) another member of the Group (other than the Company); or

(ii) the Company, **provided** that:

(A) the relevant member of the Group guarantees the Facility Liabilities (in form and substance satisfactory to the Majority Lenders (acting reasonably)) as a primary and not a secondary obligation without any Guarantee Restrictions; and

(B) the Agent has received:

(1) a certificate from the Company confirming that (to the satisfaction of the Majority Lenders, acting reasonably) Senior Leverage and Total Leverage for the Most Recent Relevant Period ending prior to the first incurrence of such Financial Indebtedness, in each case determined on a *pro forma* basis giving effect to the incurrence of such guarantee (when taken together with such other guarantees of Group Members permitted to be incurred pursuant to this paragraph (h)(ii)), would not exceed the applicable ratio set forth opposite the Test Date for that Most Recent Relevant Period in Clause 23 (*Financial covenants*), setting out (in reasonable detail) computations of such compliance and signed by an Authorised Representative;

(2) such customary legal opinions in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, acting reasonably) and any documents required in connection therewith; and

(3) (x) evidence in form and substance satisfactory to the Agent (acting reasonably) that any Authorisation required from a Governmental Authority (including of the government of Macau SAR) for the purposes of guaranteeing the Facility Liabilities and such other Financial Indebtedness has been obtained or (y) advice from Macanese counsel that no such Authorisations are required from any Governmental Authority; or

(i) any guarantee not permitted by any of the preceding sub-paragraphs and the outstanding principal amount of which (together with the outstanding amount of any guarantees that are solely permitted under paragraph (j) of the definition of "Permitted Group Financial Indebtedness") does not exceed USD125,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

"**Permitted Holding Company Activity**" means:

(a) liabilities arising from the incurrence of fees, costs, commissions and expenses in the ordinary course of business of a holding company including in connection with maintenance of existence, all necessary filings and compliance with all applicable laws and liabilities arising by operation of law or agreement of similar effect;

(b) treasury and normal holding company activities, including the provision of administrative, management, legal and accounting services to members of the Group of a type customarily provided by a holding company to its subsidiaries;

(c) entering into or performing any Permitted Transactions or Permitted Disposals or granting any Permitted Security, acquiring rights or incurring liabilities otherwise expressly permitted under the Finance Documents and/or incurring any Permitted Group Financial Indebtedness and Permitted Group Guarantees, including:

(i) any Financial Indebtedness and/or other liabilities incurred under the Transaction Documents; and

(ii) any indemnity given under the Transaction Documents;

(d) any action taken and any incurrence of liabilities pursuant to:

(i) making or entering into any transaction to facilitate a New Shareholder Injection from its Holding Company and declaring any dividends or distributions to its Holding Company;

(ii) making any repayments in respect of Sponsor Group Loans or Subordinated Debt, in each case in accordance with the terms of the Subordination Deed; or

(iii) making a loan to another Group Member, a member of the Melco Group which is not a Group Member (an "**External Melco Group Debtor**") or to a person who is neither a Group Member nor a member of the Melco Group (an "**External Third Party Debtor**"), **provided** that:

(A) in the case of any loan made to an External Melco Group Debtor:

(1) Senior Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such loan, if determined on a *pro forma* basis after giving effect to such loan would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 23.2 (*Financial condition*); and

(2) no Event of Default has occurred which is continuing or would result from the provision of such loan; and

(B) in the case of any loan made to an External Third Party Debtor:

(1) Senior Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such loan, if determined on a *pro forma* basis after giving effect to such loan would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 23.2 (*Financial condition*);

(2) such loan is made on arm's length terms (or better, for the relevant creditor); and

(3) no Event of Default has occurred which is continuing or would result from the provision of such loan;

(e) ownership of shares in its Subsidiaries, credit balances in bank accounts, Cash and Cash Equivalent Investments;

(f) the payment of salaries or fees to management, directors, officers, employees and operating advisors of the Group or any Holding Company of the Group, **provided** that:

(i) any payment of such salaries or fees are in the ordinary course of business and are reasonable; and

(ii) such payments are funded by dividends or other distributions made to it;

(g) incurrence of Tax liabilities; and

any other activity or transaction permitted by the Agent (with the consent of the Majority Lenders).

"**Permitted Reorganisation**" means:

(a) any liquidation, reorganisation, amalgamation, demerger, merger, consolidation or corporate reconstruction (a "**Reorganisation**") on a solvent basis of any Group Member (other than the Company, any Subsidiary Guarantor and any other Group Member that, at such time, is guaranteeing or has created or purported to create any Security in respect of the Facility Liabilities), **provided** that (i) the resulting or surviving entity is a Group Member and (ii) any payments or assets distributed as a result of such Reorganisation are distributed to other Group Members; and

(b) a Reorganisation on a solvent basis of any Group Member (other than the Company and MCO Investments), **provided** that:

(i) no Event of Default is continuing at the commencement of the Reorganisation;

(ii) the resulting or surviving entity is a Group Member;

(iii) all of the business and assets of, and equity interests in, the relevant Group Member are retained by one or more Group Members (except to the extent of any equity interests that will cease to exist); and

(iv) in case of a Reorganisation of:

(A) Melco Resorts Macau, the Finance Parties continue to benefit from a guarantee from the resulting or surviving entity on the same (or better than) basis as the MRM Subsidiary Guarantee that is in place immediately prior to that Reorganisation and, if the resulting or surviving entity is not Melco Resorts Macau, it assumes liability for the obligations of Melco Resorts Macau under the Finance Documents, which shall continue to be legal, valid, binding and enforceable against such resulting or surviving entity; or

(B) any other Group Member, the Finance Parties continue to benefit from all guarantees and/or Security required to ensure that the Reorganisation does not result in a breach of Clause 24.13 (*Negative pledge*) or Clause 24.18 (*Financial Indebtedness and guarantees*).

"**Permitted Security**" means:

(a) any Security existing on the date of this Agreement and which is to be irrevocably discharged or released in full on or before the Initial Utilisation Date;

(b) any Security existing on the date of this Agreement in respect of the Existing OpCo Facilities;

(c) any lien arising or subsisting by operation of law and in the ordinary course of day-to-day business and not as a result of any default or omission by any member of the Group;

(d) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so long as:

(i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of persons which are not Obligors; and

(ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of persons which are not Obligors;

(e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group, **provided** that the aggregate value of all assets subject to any such Security shall not exceed USD10,000,000 (or its equivalent in other currencies);

(f) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal;

(g) any Security or Quasi-Security over vehicles, plant, equipment or computers used in the business of the Group arising as a consequence of any finance or capital lease of such vehicles, plant, equipment or computers;

(h) any Security created in favour of a plaintiff or defendant in any proceedings as security for costs or expenses;

(i) any Security securing unpaid Taxes and arising by law but only if such unpaid taxes are contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets are available to pay the amount of those unpaid Taxes;

(j) any Security over goods, documents of title to goods and related documents and insurances and their proceeds to secure liabilities of any member of the Group in respect of a letter of credit, trust receipts, import loans or shipping guarantees issued or granted for all or part of the purchase price and costs of shipment, insurance and storage of goods acquired by a member of the Group in the ordinary course of trading;

(k) easements, rights-of-way, restrictions, encroachments, and other similar Security or Quasi-Security and other minor defects and irregularities in title, incurred in the ordinary course of business;

(l) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Security arising in the ordinary course of day-to-day business for amounts which are not overdue for a period of more than thirty (30) days or that are being contested in good faith by appropriate measures;

(m) Security in favour of customs and revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods in the ordinary course of trading;

(n) any Security or deposits in connection with workers' compensation, unemployment insurance and other social security legislation of all applicable laws, **provided** that such Security is contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets are available to discharge such Security;

(o) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any Relevant Property, any Relevant Property Easements, the Altira Site and any easement appurtenant, easements in gross, licence agreements and other rights running for the benefit of the Project Company for the Altira Project and/or appurtenant to the Altira Site;

(p) any Security of cash collateral required in respect of any Concession Guarantee;

(q) any Security over any assets (provided that any such right, title, asset, benefit or interest was acquired, where acquired using Revenues, using only monies not required to be applied for other purposes under the Finance Documents) or revenues, to the extent that they (in each case) are comprised in, relate to or derive from any Excluded Project Agreement, Excluded Project, Excluded Project Revenues or Excluded Subsidiary or any right, title, asset, benefit or interest in respect thereof or comprised therein and, in each case, such assets form no part of, nor are (other than in the case of Excluded Project Revenues) in any way necessary to ensure the full benefit to the Group of, any Project and are (in each case) permitted to be dealt with in such manner under (and are not required for any other purpose contemplated by) any Excluded Project Agreement;

(r) any Security securing Financial Indebtedness of the Group (other than any Sponsor Group Loans, Subordinated Debts or Bond Guarantees), **provided** that (at the cost of the Company):

(i) such Security secures the Facility Liabilities on an equal and rateable basis;

(ii) the Company, each security provider and each creditor in respect of such Financial Indebtedness have (A) prior to the incurrence of that Financial Indebtedness, entered into an intercreditor agreement (in form and substance satisfactory to the Majority Lenders (acting reasonably) and including, without limitation, arrangements for the secured creditors to turn over to a common security agent recoveries from the realisation or enforcement of such Security and claims against their respective debtors (including, without limitation, by way of distribution from the insolvent estate of such debtors) for application pursuant to a customary pro rata waterfall of distribution and for equalisation in case of uneven recourse) with the Agent and a common security agent acceptable to the Finance Parties (acting reasonably), which agreement has been designated as a Third Party Creditor Document and (B) provided to the Agent any other documentation and other evidence required by the Agent (acting reasonably) in connection therewith (in form and substance satisfactory to the Agent); and

(iii) the Agent has received:

(A) a certificate from the Company confirming that (to the satisfaction of the Majority Lenders, acting reasonably) Senior Leverage, Total Leverage and Interest Cover for the Most Recent Relevant Period ending prior to the first incurrence of such Financial Indebtedness, in each case determined on a *pro forma* basis giving effect to the incurrence and utilisation of such Incremental Facility in full (when taken together with all such other Financial Indebtedness of the Company permitted to be secured by such Security pursuant to this paragraph (r)), would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite the Test Date for that Most Recent Relevant Period in Clause 23 (*Financial covenants*), setting out (in reasonable detail) computations of such compliance and signed by an Authorised Representative;

(H) all agreements, deeds, acknowledgements, confirmations, amendments or other instruments requested by the Agent (acting on the instructions of the Majority Lenders, acting reasonably) to amend or supplement this Agreement in connection with the provision of such Security and the appointment of a common security agent in respect of such Security and any documents required in connection therewith;

(I) such customary legal opinions in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, acting reasonably) and any documents required in connection therewith; and

(J) (x) evidence in form and substance satisfactory to the Agent (acting reasonably) that any Authorisation required from a Governmental Authority (including of the government of Macau SAR) for the purposes of securing the Facility Liabilities and such other Financial Indebtedness under an Incremental Facility or the extension of any Subsidiary Guarantee in connection with such Financial Indebtedness has been obtained or (y) advice from Macanese counsel that no such Authorisations are required from any Governmental Authority; and

(s) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under the preceding paragraphs) does not exceed USD100,000,000 (or its equivalent in other currencies).

"**Permitted Transaction**" means:

(a) any disposal required, Financial Indebtedness incurred, guarantee or indemnity given, or other transaction arising, under the Finance Documents;

(b) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms (or better, for the relevant member of the Group);

(c) any payments for goods and services under a Service Agreement or Affiliate Agreement, **provided** that any such payment is in an amount not exceeding the actual, arm's length cost (or better, for the relevant member of the Group) of such goods and services paid by the supplier plus a margin of not more than five per cent or (where any applicable Legal Requirement stipulates that a margin higher than five per cent must be charged pursuant to such Service Agreement or Affiliate Agreement in such circumstances (such margin being the "**Specified Margin**")) the lesser of the Specified Margin and ten per cent;

(d) the entry by any member of the Group into, and the performance of its obligations under, any agreement which relates to the supply of goods or services to an Excluded Project with any Excluded Subsidiary or other person outside the Group where such agreement is entered into and performed in the ordinary course of trading of that member of the Group and on arm's length terms (or better, for the relevant member of the Group).

"**Project**" means each of:

(a) the City of Dreams Project;

(b) the Altira Project; and

(c) any other gaming, hotel or resort related business, development, project, undertaking or venture designated as a "Project" by the Company and agreed to by the Agent (acting on the instructions of the Majority Lenders).

"**Project Company**" means:

(a) in the case of the City of Dreams Project, COD Resorts Limited or such other Group Member that owns the Real Property comprising the City of Dreams Project;

(b) in the case of the Altira Project, Altira Resorts Limited or such other Group Member that owns the Real Property comprising the Altira Project; or

(c) in the case of any other Project, such person or Group Member that owns the Real Property comprising that Project.

"**Properties**" means the lands described in the Land Concessions, and any other Real Property acquired by a member of the Group after the date of this Agreement. A reference to a "**Property**" is a reference to any of the Properties.

"**Quarter Date**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Quarterly Financial Statements**" has the meaning given to that term in Clause 22.1 (*Definitions*).

"**Quasi-Security**" has the meaning given to that term in Clause 24.13 (*Negative pledge*).

"**Quotation Date**" means, in relation to any period for which an interest rate is to be determined:

(a) for the Base Currency, the first day of that period; and

(b) for any Optional Currency, two (2) Business Days prior to the first day of that period.

"**Real Property**" means:

(a) any freehold, leasehold or immovable property, including the land described in the Land Concessions and the Occupational Leases relating to the Mocha Business, and

(b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property.

"**Reference Bank Quotation**" means any quotation supplied to the Agent by a Reference Bank.

"**Reference Banks**" means:

(a) in relation to HIBOR, such banks as may be designated for such purposes by the Agent in consultation with the Company from time to time; and

(b) in relation to LIBOR, such banks as may be designated for such purposes by the Agent in consultation with the Company from time to time.

"**Related Fund**", in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or adviser or an Affiliate thereof as the first fund.

"**Relevant Interbank Market**" means, in relation to HK dollars, the Hong Kong interbank market, in relation to US dollars, the London interbank market and, in relation to any other currency and a Facility, such other interbank market agreed by all of the Lenders with a Commitment in respect of that Facility and the Company.

"**Relevant Jurisdiction**" means, in relation to any person:

(a) its jurisdiction of incorporation; and

(b) any jurisdiction where it conducts its business.

"**Relevant Period**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Relevant Property**" means the City of Dreams Site and, in respect of a "Project" designated under this Agreement, any other property which is designated as a "Relevant Property" by the Company and agreed to by the Agent (acting on instructions of the Majority Lenders).

"**Relevant Property Easement**" means, in relation to any Relevant Property, the easements appurtenant, easements in gross, licence agreements and other rights running for the benefit of the Project Company and/or appurtenant to the Relevant Property.

"**Repeating Representations**" means each of the representations set out in Clause 21 (*Representations*), other than Clause 21.10 (*Deduction of Tax*), paragraphs (a) to (c) of Clause 21.13 (*No misleading information*) and Clause 21.14 (*Financial statements*).

"**Revenues**" means all Group income and receipts, including those derived from the ownership, operation or management of the Projects or any other business of the Melco Group, including payments received by any Group Member under any Material Document, net payments, if any, received under any hedging agreements, Liquidated Damages, insurance proceeds, together with any receipts derived from the sale or disposal of rights of any other property pertaining to the Projects or the business of the Melco Group or incidental to the operation or management of the Projects or the business of the Melco Group, all as determined in conformity with cash accounting principles, and the proceeds of any condemnation awards relating to any Project or the business of the Melco Group.

"**Rollover Loan**" means one or more Initial Facility Loans or Incremental Revolving Credit Facility Loans:

(a) made or to be made on the same day that a maturing Loan under the same Facility is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of that maturing Loan;

(c) in the same currency as that maturing Loan; and

(d) made or to be made to the Company for the purpose of refinancing that maturing Loan (as specified in the Utilisation Request for such first-mentioned Loan(s)).

"**Sanctioned Country**" means a country or territory that is the subject of country-wide or territory-wide Sanctions (including, without limitation, the Crimea region of the Ukraine, Cuba, Iran, North Korea, Sudan and Syria).

"**Sanctioned Person**" means an individual or entity that is:

(a) the subject of any Sanction, including anyone who is listed:

(i) in the Annex to the "Executive Order No. 13224 of 23 September 2001—Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism";

(ii) on the "Specially Designated Nationals and Blocked Persons" list maintained by the U.S. Department of Treasury's Office of Foreign Assets Control; or

(iii) in any successor list to either of the foregoing; or

(b) located, organized or resident in a Sanctioned Country.

"**Sanctions**" means any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, the State Secretariat for Economic Affairs of Switzerland, the Hong Kong Monetary Authority or other relevant sanctions authority.

"**Screen Rate**" means:

(a) in relation to HIBOR, the Hong Kong interbank offered rate administered by the Treasury Markets Association (or any other person which takes over the administration of that rate) for HK dollars for the relevant period displayed on page HKABHIBOR of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); and

(b) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and the relevant period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Selection Notice**" means a notice substantially in the form set out in Schedule 10 (*Form of Selection Notice*) given in accordance with Clause 13 (*Interest Periods*) in relation to an Incremental Term Loan Facility.

"**Senior Leverage**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Separate Loan**" has the meaning given to that term in paragraph (c) of Clause 8.1 (*Initial Facility*).

"**Service Agreement**" means any of:

(a) the services agreement dated 1 January 2007 and made between Melco Resorts Macau and Melco Resorts Services Limited (formerly named Melco PBL Services Limited);

(b) the services agreement dated 1 January 2007 and made between Altira Resorts Limited (formerly Great Wonders Investments Limited) and Melco Resorts Services Limited (formerly named Melco PBL Services Limited);

(c) the services agreement dated 1 January 2007 and made between COD Resorts Limited (formerly Melco Hotels and Resorts (Macau) Limited) and Melco Resorts Services Limited (formerly Melco PBL Services Limited);

(d) the services agreement dated 1 January 2007 and made between MCO Investments Limited (formerly MPEL Investments Limited) and Melco Resorts Services Limited (formerly Melco PBL Services Limited);

(e) the services agreements dated 1 January 2007 and made between Melco Resorts & Entertainment Limited (formerly Melco PBL Entertainment (Macau) Limited) and MCO Nominee One Limited;

(f) the services agreement dated 29 May 2007 and made between Melco Resorts (Cafe) Limited (formerly Melco Crown (Cafe) Services Limited) and Melco Resorts Services Limited (formerly Melco PBL Services Limited);

(g) the services agreement dated 29 May 2007 and made between Golden Future (Management Services) Limited (formerly Melco PBL Services (Macau) Limited) and Melco Resorts Services Limited (formerly Melco PBL Services Limited);

(h) the services agreement dated 27 October 2009 and made between Melco Resorts Macau and Melco Resorts Security Services Limited (formerly Melco Crown Security Services Limited);

(i) the services agreement dated 27 October 2009 and made between Golden Future (Management Services) Limited and Melco Resorts Security Services Limited (formerly Melco Crown Security Services Limited);

(j) the services agreement dated 25 March 2010 and made between Golden Future (Management Services) Limited and MPEL Properties (Macau) Limited; and

(k) the master services agreement dated 21 December 2015 and made between, amongst others, COD Resorts Limited (formerly Melco Crown (COD) Developments Limited), Altira Resorts Limited (formerly Altira Developments Limited), Melco Resorts Macau, Golden Future (Management Services) Limited (formerly Melco PBL Services (Macau) Limited) and certain other members of the Melco Group, and Studio City International Holdings Limited and certain of its subsidiaries (the "**MSA**"), and any and all work agreements entered into in conjunction with the MSA,

and any other agreement which a member of the Group may enter into from time to time with an Affiliate outside the Group for the supply of goods or services as permitted pursuant to this Agreement.

"**Services and Right to Use Agreement**" means the services and the rights to use agreement dated 11 May 2007 between, amongst others, Melco Resorts Macau and Studio City Entertainment Limited.

"**Sponsor Affiliate**" means each Sponsor and each Sponsor Group Shareholder and each of their respective Affiliates (excluding members of the Group).

"**Sponsor Group Loan**" means any Financial Indebtedness owed by a Group Member to any Sponsor Group Shareholder, *provided* that (other than for the purposes of Clause 25.9 (*Unlawfulness and invalidity*)) it is subordinated to the Facility Liabilities under the terms of the Subordination Deed.

"**Sponsor Group Shareholder**" means any direct or indirect shareholder of the Company which is a Sponsor or a Subsidiary of a Sponsor.

"**Sponsors**" means Melco International and Melco and "**Sponsor**" means each of them.

"**Subconcession**" means (a) the trilateral agreement dated 8 September 2006 entered into by and between Macau SAR, Wynn Resorts (Macau), S.A. ("**Wynn Macau**") (as concessionaire for the operation of casino games of chance and other casino games in the Macau SAR, under the terms of a concession contract dated 24 June 2002 between the Macau SAR and Wynn Macau) and Melco Resorts Macau comprising a set of instruments from which shall flow an integrated web of rights, duties and obligations by and for all and each of the Macau SAR, Wynn Macau and Melco Resorts Macau (the nominative administrative contract known as the subconcession contract for the operation of casino games of chance and other casino games in the Macau SAR, executed by Wynn Macau and Melco Resorts Macau, to be the most significant instrument thereof), pursuant to the terms of which Melco Resorts Macau shall be entitled to operate casino games of chance and other casino games in the Macau SAR as an autonomous subconcessionaire in relation to Wynn Macau, and including any supplemental letters or agreements entered into or issued by Macau SAR and any member of Group or Melco and (b) any license, concession, subconcession or other authorization from a Governmental Authority granted or obtained which authorizes, permits, concedes or allows Melco Resorts Macau or any other Group Member, at the relevant time, to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau.

"**Subconcession Bank Guarantee**" means the bank guarantee provided under article 61 of the Subconcession.

"**Subconcession Bank Guarantee Facility Agreement**" means the agreement dated 1 September 2006 between the Subconcession Bank Guarantor and Melco Resorts Macau.

"**Subconcession Bank Guarantor**" means Banco Nacional Ultramarino, S.A.

"**Subordinated Creditor**" has the meaning given to it in the Subordination Deed;

"**Subordinated Debt**" means any Financial Indebtedness owed by a Group Member to a Subordinated Creditor that is (other than for the purposes of Clause 25.9 (*Unlawfulness and invalidity*) subordinated to the Facility Liabilities under the terms of the Subordination Deed, and which includes, as at the date of this Agreement, Financial Indebtedness incurred under the following intercompany loan agreements:

(a) the US$1,000,000,000 loan agreement dated 31 July 2017 between MCO Investments as the borrower and Bondco as the lender;

(b) the US$500,000,000 loan agreement dated 8 July 2019 between MCO Investments as the borrower and Bondco as the lender;

(c) the US$600,000,000 loan agreement dated 18 November 2019 between MCO Investments as the borrower and Bondco as the lender; and

(d) the US$900,000,000 loan agreement dated 18 December 2019 between MCO Investments as the borrower and Bondco as the lender.

"**Subordination Deed**" means the subordination deed dated on or about the date of this Agreement between Bondco and MCO International Limited as Subordinated Creditors, the Company and MCO Investments as Debtors and the Agent and acceding parties from time to time (as amended, novated, supplemented, extended, replaced or retained (in each case, however fundamentally) from time to time).

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Subsidiary Guarantee**" means each of:

(a) the guarantee dated on or about the date of this Agreement between MCO Investments as guarantor, the Company and the Agent (as amended, novated, supplemented, extended, replaced or retained (in each case, however fundamentally) from time to time (the "**MCO Subsidiary Guarantee**"); and

(b) the guarantee dated on or about the date of this Agreement between Melco Resorts Macau as guarantor, the Company and the Agent (as amended, novated, supplemented, extended, replaced or retained (in each case, however fundamentally) from time to time (the "**MRM Subsidiary Guarantee**").

"**Subsidiary Guarantor**" means each of (i) Melco Resorts Macau and (ii) MCO Investments.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Termination Date**" means:

(a) in relation to the Initial Facility, the date falling 60 Months after the date of this Agreement (or, if such date is not a Business Day, the immediately preceding Business Day); and

(b) in relation to an Incremental Facility, the Incremental Facility Termination Date relating to that Incremental Facility.

"**Termination Proceeds**" means compensation or other proceeds paid by the Macau SAR in relation to the termination, redemption or rescission of the Subconcession.

"**Third Party Creditor Document**" means each of (a) the Subordination Deed and (b) any other document designated as such by the Company and the Agent from time to time.

"**Total Commitments**" means the aggregate of the Total Initial Facility Commitments and the Total Incremental Facility Commitments, being HKD14,850,000,000 as at the date of this Agreement.

"**Total Incremental Facility Commitments**" means, at any time, the aggregate of the Incremental Facility Commitments.

"**Total Initial Facility Commitments**" means the aggregate of the Initial Facility Commitments, being HKD14,850,000,000 as at date of this Agreement.

"**Total Leverage**" has the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Transaction Documents**" means:

(a) the Finance Documents;

(b) the Constitutional Documents of the Borrower and of each Subsidiary Guarantor;

(c) the Subconcession Bank Guarantee Facility Agreement; and

(d) the Excluded Project Operation Agreements (if any).

"**Transfer Certificate**" means an agreement substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

"**Transfer Date**" means, in relation to an assignment or transfer by a Lender, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate relating to such assignment or transfer; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate relating to such assignment or transfer.

"**Treasury Transactions**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Unpaid Sum**" means any sum due and payable but unpaid by the Borrower under the Finance Documents.

"**US**" and "**United States**" means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

"**USA Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

"**USD**", "**US dollars**" or "**US$**" denotes the lawful currency of the United States.

"**Utilisation**" means any Loan.

"**Utilisation Date**" means the date on which a Utilisation is made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 3 (*Form of Utilisation Request*).

"**Voting Participation**" means a Participation which includes a transfer of any voting rights, directly or indirectly, under, or in relation to, the Finance Documents.

1.2 Construction

(a) Unless a contrary indication appears a reference in this Agreement to:

(i) the "**Agent**", an "**Arranger**", any "**Finance Party**", any "**Lender**", any "**Obligor**", any "**Subsidiary Guarantor**" any "**Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) a document in "**agreed form**" is a document which is in a form previously agreed in writing by or on behalf of the Company and the Agent or, if not so agreed, is in the form specified by the Agent;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, however fundamentally);

(v) "**guarantee**" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a Lender's "**participation**" in a Loan or Unpaid Sum includes an amount (in the currency of such Loan or Unpaid Sum) representing the fraction or portion (attributable to such Lender by virtue of the provisions of this Agreement) of the total amount of such Loan or Unpaid Sum and the Lender's rights under this Agreement in respect thereof;

(viii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality) of two or more of the foregoing;

(ix) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(x) an "**equivalent amount in other currencies**", "**equivalent amount in HKD**", "**equivalent amount in USD**" or "**its equivalent**" means, in relation to an amount in one currency, that amount converted on any relevant date into the relevant currency, HKD or USD (as the case may be) at the Agent's Spot Rate of Exchange on that date;

(xi) a provision of law is a reference to that provision as amended or re-enacted; and

(xii) a time of day is a reference to Hong Kong time.

(b) Any reference to the Agent "acting reasonably" shall, to the extent that the Agent seeks instructions from the Lenders or all the Lenders in respect of any matter, be construed so as to require the Lenders or all the Lenders to act reasonably in respect of that matter.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, (i) a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and (ii) the word "including" shall be construed as "including without limitation" (and cognate expressions shall be construed similarly).

(e) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived, save that, in respect of an Event of Default under Clause 25.1 (*Non-payment*) which occurs as a result of a Lender of a maturing Initial Facility Loan or Incremental Revolving Credit Facility Loan not making an equivalent Rollover Loan available on a proposed Utilisation Date pursuant to the operation of Clause 4.2 (*Further conditions precedent*), such Event of Default is "**continuing**" if it has not been waived or remedied by that Lender being repaid such Initial Facility Loan or Incremental Revolving Credit Facility Loan in full (together with all accrued interest and other amounts payable to that Lender pursuant to the Finance Documents) by the Company by the date falling no later than three (3) Business Days from that proposed Utilisation Date.

(f) A Lender shall only have rights in respect of any provisions of Clause 21.22 (*Sanctions*) and Clause 24.8 (*Sanctions*) if and to the extent such provision does not result in a violation of (if applicable to that Lender) the Council Regulation (EC) No. 2271/96 of 22 November 1996 as amended by Commission Delegated Regulation (EU) 2018/1100 of 6 June 2018, section 7 of the German Foreign Trade Ordinance (Außenwirtschaftsverordnung—AWV) or any other applicable anti-boycott or similar laws or regulations which is applicable to such Lender.

1.3 Third Party Rights

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of any Finance Document.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

2. The Facilities

2.1 The Initial Facility

Subject to the terms of this Agreement, the Lenders make available to the Company a multicurrency revolving credit facility in an aggregate amount the Base Currency Amount of which is equal to the Total Initial Facility Commitments.

2.2 Incremental Facilities

Subject to the terms of this Agreement, the Lenders make available to the Company each Incremental Facility established pursuant to Clause 7 (*Incremental Facilities*).

2.3 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Company shall be a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by the Company which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by the Company.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

3. Purpose

3.1 Purpose

(a) Subject to paragraph (c) below, the Company shall apply all amounts borrowed by it under the Initial Facility towards:

(i) refinancing (in whole or in part) the existing Financial Indebtedness of the Group (including but not limited to the Existing OpCo Facilities);

(ii) financing the payment of agreed fees, costs and other expenses associated with the Facility; and/or

(iii) the general corporate and working capital purposes of the Melco Group.

(b) Subject to paragraph (c) below, the Company shall apply all amounts borrowed by it under an Incremental Facility towards the purpose(s) specified in the Incremental Facility Notice relating to such Incremental Facility.

(c) The Company shall not apply any proceeds of any Loan towards any purposes connected with the operation of casino games of chance or other forms of gaming (including, without limitation, financing the acquisition, maintenance or repair of equipment and utensils used in the operation of casino games of chance or other forms of gaming or fitting out any casino).

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. Conditions of utilisation

4.1 Initial conditions precedent

(a) The Company may not deliver a Utilisation Request unless and until the Agent has received (or the Arrangers or the Agent has waived the requirement to receive) all of the documents and other evidence listed in Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Arrangers (acting reasonably) (except where such documents and other evidence are stated to be for information purposes only in which case such documents and other evidence shall be satisfied upon receipt without the Arrangers making any determination or otherwise being satisfied as to form or substance) (the "**Condition**"). The Arrangers shall notify the Agent, the Company and the Lenders promptly upon being so satisfied. Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation if the Condition has been satisfied on or before 11.00 a.m. on the date falling three (3) Business Days prior to the Initial Utilisation Date (or by such later date as the Agent may agree).

(b) Other than to the extent that the Majority Lenders notify the Arrangers in writing to the contrary before the Arrangers give the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Arrangers to give that notification. None of the Arrangers, nor the Coordinators nor the Agent shall be liable for any damages, costs or losses whatsoever as a result of the Arrangers giving any such notification.

(c) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Incremental Facility Loan if on or before the Utilisation Date for that Loan, the Agent has received all of the documents and other evidence specified as initial conditions precedent in the Incremental Facility Notice relating to the relevant Incremental Facility (if any) in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

(d) Other than to the extent that the Majority Facility Lenders under the relevant Incremental Facility notify the Agent in writing to the contrary before the Agent gives a notification described in paragraph (c) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

Subject to Clause 4.1 (*Initial conditions precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation if on the date of the Utilisation Request and on the proposed Utilisation Date relating to that Utilisation:

(a) in the case of a Rollover Loan, no Event of Default has occurred and is continuing or would result from the proposed Utilisation and, in the case of any other Utilisation, no Default has occurred and is continuing or would result from the proposed Utilisation; and

(b) all the Repeating Representations are true and correct in all respects.

4.3 Conditions relating to Optional Currencies

(a) A currency will constitute an Optional Currency in relation to a Utilisation if:

(i) it is readily available in the amount required and freely convertible into the Base Currency in the wholesale market for that currency on the Quotation Date and the Utilisation Date for that Utilisation; and

(ii) (A) it is US dollars ; or

(B) it is any other currency which has been approved by the Agent (acting on the instructions of all Lenders in the relevant Facility) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.

(b) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii)(B) above, the Agent will confirm to the Company within five (5) Business Days of receipt of the relevant written request from the Company:

(i) whether or not the relevant Lenders have granted their approval; and

(ii) if approval has been granted, the minimum amount for any subsequent Utilisation in that currency.

4.4 Maximum number of Utilisations

(a) The Company may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(i) more than 20 Initial Facility Loans would be outstanding; or

(ii) in relation to any Loan to be made under an Incremental Facility, any agreed limit on the number of Loans relating to that Facility would be breached.

(b) Any Loan made by a single Lender under Clause 6.2 (*Unavailability of a currency*) shall not be taken into account in this Clause 4.4.

(c) No Separate Loan or Extended Loan shall be taken into account in this Clause 4.4.

5. Utilisation

5.1 Delivery of a Utilisation Request

The Company may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request signed by an authorised signatory of the Company, not later than 11.00 a.m. on the third Business Day prior to the proposed Utilisation Date (or such later time as the Agent may agree).

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the currency and amount of the Utilisation comply with Clauses 5.3 (*Currency and amount*) and 5.5 (*Special limit on Utilisations*);

(iv) the proposed Interest Period complies with Clause 13 (*Interest Periods*); and

(v) (other than in the case of any Rollover Loan) it specifies the account(s) and bank(s) to which the proceeds of that Loan are to be credited.

(b) Only one Utilisation may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request in relation to the Initial Facility must be the Base Currency or an Optional Currency.

(b) The currency specified in a Utilisation Request in relation to an Incremental Facility must be the Base Currency (or, if agreed between the Company and all of the Lenders under that Incremental Facility, whether in the applicable Incremental Facility Notice or other Incremental Facility Document applicable to that Incremental Facility, any Optional Currency so agreed).

(c) Subject to Clause 5.5 (*Special limit on Utilisations*), the amount of the proposed Utilisation in respect of the Initial Facility must be:

(i) if the currency selected is the Base Currency, a minimum of HKD40,000,000 or, if less, the Available Facility applicable to that Facility;

(ii) if the currency selected is US dollars, a minimum of USD5,000,000 or, if less, the Available Facility applicable to that Facility; and

(iii) if the currency selected is an Optional Currency other than US dollars, the minimum amount specified by the Agent pursuant to paragraph (b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility applicable to that Facility.

(d) The amount of any minimum proposed Utilisation in relation to an Incremental Facility shall be agreed between the Company and the Lenders under that Incremental Facility in the Incremental Facility Notice or Incremental Facility Document applicable to that Incremental Facility.

5.4 Lenders' participation

(a) Subject to Clause 8 (*Repayment of Initial Facility*), if the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date for such Loan through its Facility Office.

(b) The amount of each Lender's participation in each Loan under a Facility will be equal to the proportion of that Loan borne by its Available Commitment (in respect of such Facility) to the Available Facility (in respect of such Facility) immediately prior to the making of that Loan.

(c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and notify each Lender of the amount, currency and the Base Currency Amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available by 2.00 p.m. on the third Business Day prior to the proposed Utilisation Date.

5.5 Special limit on Utilisations

Unless and until the Agent has received (or, acting on the instructions of all the Lenders under the Initial Facility, has waived the requirement to receive) evidence in form and substance satisfactory to it that the Existing OpCo Facilities have been fully repaid and/or prepaid and permanently cancelled (save as otherwise specified in the Existing OpCo Facility Continuing Lender Waiver) and no amount in respect of any Existing OpCo Loan remains outstanding (save as otherwise specified in the Existing OpCo Facility Continuing Lender Waiver and provided that a written confirmation from the Existing OpCo Facility Agent to this effect (absent manifest error) shall be conclusive evidence of such repayment, prepayment and/or cancellation), the amount of any proposed Utilisation in respect of the Initial Facility must not be an amount that would result in the aggregate principal amount of outstanding Initial Facility Loans exceeding HKD2,730,000,000 (or its equivalent in other currencies).

5.6 Cancellation of Commitments

Upon the expiry of the Availability Period relating to a Facility, the Commitment of each Lender in respect of that Facility shall be reduced by the amount of its Available Commitment in respect of that Facility, and then such Available Commitment (in respect of that Facility) shall be immediately reduced to zero.

6. Optional Currencies

6.1 Selection of currency

(a) The Company shall select the currency of a Utilisation in a Utilisation Request.

(b) The Company may agree with the Agent and all of the Original Incremental Facility Lenders under an Incremental Facility any provisions in relation to the selection of currencies in relation to that Incremental Facility in any Incremental Facility Notice or other Incremental Facility Document applicable to that Incremental Facility.

6.2 Unavailability of a currency

If before 10:00 a.m. on any Quotation Date:

(a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or

(b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent shall give notice to the Company to that effect by 12:00 p.m. on that day. In this event, any Lender that gives notice pursuant to this Clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency.

6.3 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (*Lenders' participation*).

7. Incremental Facilities

7.1 Type of Facility

An Incremental Facility may be by way of:

(a) a term loan facility (each such term loan facility, an "**Incremental Term Loan Facility**");

(b) a revolving credit facility (each such revolving credit facility, an "**Incremental Revolving Credit Facility**"); or

(c) an increase in the Commitments under an existing Facility (each such increase, an "**Incremental Facility Increase**".

7.2 Availability and establishment of Incremental Facilities

(a) If the Company and one or more Lenders or other entities (being such other banks, financial institutions, trusts, funds or other entities which are regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets and which are not Lenders, the "**Non-Lenders**") agree, except as otherwise provided in this Agreement, such Lenders and Non-Lenders may make available Commitments in respect of Incremental Facilities in an aggregate amount not exceeding HKD7,750,000,000 (the "**Incremental Facility Limit**").

(b) The Company may request the establishment of an Incremental Facility by delivering to the Agent a valid and duly completed notice substantially in the form set out in Schedule 8 (*Form of Incremental Facility Notice*) (an "**Incremental Facility Notice**") prior to the Termination Date in respect of the Initial Facility requesting that such Lenders and Non-Lenders make available an Incremental Facility.

(c) Each Incremental Facility Notice shall not be duly completed unless it (save where not necessary in the case of an Incremental Facility Increase):

(i) sets out the termination date and any repayment schedule, amount (the "**Requested Facility Amount**"), availability period, interest rate and (if applicable) margin and commitment fees (if any) of or with respect to the Incremental Facility that is the subject of such Incremental Facility Notice (the "**Relevant Incremental Facility**");

(ii) specifies the borrower of the Relevant Incremental Facility, which shall be the Company;

(iii) specifies whether the Relevant Incremental Facility will be an Incremental Term Loan Facility, Incremental Revolving Credit Facility or Incremental Facility Increase;

(iv) specifies the currency in which the Commitments for the Relevant Incremental Facility will be denominated (which shall be limited to the Base Currency) and the currency or currencies in which the Relevant Incremental Facility may be utilised (which shall be limited to the Base Currency and any Optional Currency);

(v) specifies the purpose for which the proceeds of the Relevant Incremental Facility may be used (which shall not conflict with paragraph (c) of Clause 3.1 (*Purpose*));

(vi) specifies the maximum number of Loans that may be outstanding under the Relevant Incremental Facility at any time;

(vii) specifies any other relevant terms relating to the Relevant Incremental Facility;

(viii) (if the Company so chooses, at its discretion, to invite any Lender to participate in the Relevant Incremental Facility) invites each Lender to participate in the Relevant Incremental Facility in an amount up to that Lender's Pro Rata Share (for such purposes, "**Pro Rata Share**" means, in relation to a Lender, the percentage of the aggregate amount of the Relevant Incremental Facility that such Lender's existing Commitments (in aggregate across the Facilities) bear to the existing Total Commitments on the date of the Incremental Facility Notice);

(ix) confirms that the Repeating Representations are true and accurate in all material (or, to the extent that the Repeating Representation is subject to any materiality qualifier, all) respects as at the date of the Incremental Facility Notice;

(x) confirms that no Event of Default is continuing at the time of, or would arise as a result of, the establishment and utilisation of the Relevant Incremental Facility; and

(xi) is signed by the Company.

(d) Upon receipt of an Incremental Facility Notice, the Agent shall promptly and in any case within three (3) Business Days forward that Incremental Facility Notice to all Lenders and each Lender (if applicable) shall have ten (10) Business Days (or such longer time as the Agent and the Company may agree) from the date of the Incremental Facility Notice to accept any invitation made by the Company as contemplated by paragraph (c)(viii) above (the "**Lender Invitation Period**"). Following the expiry of the Lender Invitation Period, any Lender that has not responded to the Company in relation to the Incremental Facility Notice (or has declined the invitation to participate) shall not participate in the Relevant Incremental Facility (other than as a result of an assignment or transfer in accordance with Clause 26 (*Changes to the Lenders*)).

(e) No Lender shall be obliged to participate in any Incremental Facility.

(f) The Company shall be permitted to invite Non-Lenders to provide commitments for and to become Lenders under the Relevant Incremental Facility (and each such entity that agrees to provide a commitment in relation to a Relevant Incremental Facility will be an "**Additional Lender**") subject to paragraphs (g) and (h) below, *provided* that if the Company has invited Lenders to provide any commitments in the Relevant Incremental Facility, its invitation to Non-Lenders shall not prejudice the right of Lenders to participate in an amount up to its Pro Rata Share.

(g) If sufficient Lenders and Additional Lenders have provided acceptances to the Company to make available commitments (of an aggregate amount not less than the Requested Facility Amount, or, subject to paragraph (a) above, such other amount agreed between the Company, the Lenders and the Additional Lenders) in respect of the Relevant Incremental Facility, the Company shall notify the Agent and each Subsidiary Guarantor of:

(i) the aggregate amount of the commitments that have been agreed to be made available by the Lenders and/or Additional Lenders in respect of the Relevant Incremental Facility (such commitments in relation to an Incremental Term Loan Facility being "**Incremental Term Loan Facility Commitments**", such commitments in relation to an Incremental Revolving Credit Facility being "**Incremental Revolving Credit Facility Commitments**" and such commitments in relation to an Incremental Facility Increase being "**Incremental Facility Increase Commitments**"); and

(ii) the identity and notice details of the Lenders and Additional Lenders (the "**Original Incremental Facility Lenders**") that have agreed to provide the Relevant Incremental Facility,

and the Agent shall promptly notify all of the Lenders and such Additional Lenders of the same.

(h) Each Additional Lender which has been selected by the Company to be an Original Incremental Facility Lender may accede to this Agreement as a Lender by duly completing and signing an Incremental Lender Accession Deed prior to making available its Incremental Facility Commitments and the Agent shall only be obliged to execute the relevant Incremental Lender Accession Deed delivered to it by an Additional Lender once it is satisfied that it has complied with all necessary "know-your-customer" checks or other similar checks under all applicable laws and regulations in relation to such Additional Lender and at any time thereafter such Additional Lender shall be treated as a Lender for the purposes of this Agreement. Each Party irrevocably authorises and instructs the Agent to execute any Incremental Lender Accession Deed on its behalf. By executing an Incremental Lender Accession Deed, the Additional Lender agrees to become a Lender and a Party to this Agreement. On the date that the Agent executes an Incremental Lender Accession Deed, the relevant Additional Lender, each Finance Party and the Company shall assume obligations towards one another and acquire rights against one another as that Additional Lender, the Finance Parties and the Company would have acquired and assumed had that Additional Lender been an Original Lender with the rights and obligations acquired or assumed by it as a result of its accession and the relevant Additional Lender shall become a Party as a Lender. Clause 26.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 7 in relation to an Additional Lender as if references in that Clause to:

(i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;

(ii) the "**New Lender**" were references to that Additional Lender; and

(iii) a "**re-transfer**" and "**re-assignment**" were references to, respectively, a "**transfer**" and "**assignment**".

(i) The making available of any Incremental Facility will not require the consent of any Lender other than the Original Incremental Facility Lenders that are participating in such Incremental Facility.

(j) An Incremental Facility shall not be established under this Clause 7 and made available unless:

(i) the Agent and each Subsidiary Guarantor has received a notice in respect of that Incremental Facility from the Company pursuant to paragraph (g) above;

(ii) the Agent has executed an Incremental Lender Accession Deed respect of each Additional Lender in respect of that Incremental Facility;

(iii) the terms of that Incremental Facility do not conflict with Clause 7.3 (*Terms of Incremental Facilities*);

(iv) the aggregate of (I) the principal amount of such Incremental Facility and (II) the principal amounts of such other Incremental Facilities established from time to time (and without regard to any cancellations of any Incremental Facility Commitments) under this Clause 7.2 does not exceed the Incremental Facility Limit;

(v) the Agent has received:

(A) a certificate from the Company confirming that:

(1) (to the satisfaction of the Majority Lenders, acting reasonably) Senior Leverage, Total Leverage and Interest Cover for the Most Recent Relevant Period (in respect of the anticipated Incremental Facility Establishment Date), in each case determined on a *pro forma* basis giving effect to the incurrence and utilisation of the Initial Facility and such Incremental Facility in full, would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite the Test Date for that Most Recent Relevant Period in Clause 23 (*Financial covenants*), setting out (in reasonable detail) computations of such compliance and signed by and Authorised Representative; and

(2) all fees (including without limitation any upfront or arrangement fees), costs and expenses due to the Original Incremental Facility Lenders in connection with the relevant Incremental Facility have been or will be paid;

(B) written authorisation from each Original Incremental Facility Lender confirming (x) the Commitments it agrees to provide under the Incremental Facility on the terms of the applicable Incremental Facility Notice and this Agreement, (y) that it is not a member of the Group or a Sponsor Affiliate and (z) that the Agent may establish the relevant Incremental Facility and its Commitments under that Incremental Facility on its behalf;

(C) such customary legal opinions (at the cost of the Company) in form and substance satisfactory to the Agent (acting reasonably on the instructions of the Majority Lenders) and any documents required in connection therewith;

(D) (at the cost of the Company) all agreements, deeds, acknowledgements, confirmations, amendments or other instruments required for the maintenance of the guarantees provided by Melco Resorts Macau, in each case in connection with the relevant Incremental Facility and in form and substance satisfactory to the Agent (acting reasonably);

(E) (x) evidence in form and substance satisfactory to the Agent (acting reasonably) that any Authorisation required from a Governmental Authority (including of the government of Macau SAR) for the purposes of incurring Financial Indebtedness under an Incremental Facility or the extension of any Subsidiary Guarantee in connection with such Financial Indebtedness has been obtained or (y) advice from Macanese counsel that no such Authorisations are required from any Governmental Authority;

(vi) the specified maximum number of Loans that may be outstanding under the Relevant Incremental Facility at any time is acceptable to the Agent (acting reasonably); and

(vii) no Event of Default is continuing at the time of, or would arise as a result of, the establishment and utilisation of the Relevant Incremental Facility.

(k) Subject to the conditions of this Clause 7.2 being met in respect of an Incremental Facility, the Agent shall (at the cost of the Company) establish that Incremental Facility and the Commitments of each Original Incremental Facility Lender in respect of that Incremental Facility by way of written notice to the Company, which Incremental Facility and Commitments shall commence on the Agent's receipt of the Company's written countersignature to such notice (the date of such receipt by the Agent, the "**Incremental Facility Establishment Date**" in respect of that Incremental Facility). Each Original Incremental Facility Lender in respect of an Incremental Facility shall make available its Commitments under the Incremental Facility on and from the Incremental Facility Establishment Date for that Incremental Facility on the terms of this Agreement and any Incremental Facility Document relating to that Incremental Facility. The Commitments of the other Lenders shall continue in full force and effect.

7.3 Termsof Incremental Facilities

(a) Except as provided below, the terms of any Incremental Facility will be those agreed by the Original Incremental Facility Lenders and the Company.

(b) Any Incremental Term Loan Facility:

(i) shall have Incremental Term Loan Facility Commitments of a minimum Base Currency Amount of HKD1,000,000 and an integral multiple of HKD1,000,000;

(ii) may not have a Termination Date that is earlier than the Termination Date in relation to the Initial Facility;

(iii) if amortising, the weighted average life of such Incremental Term Loan Facility may not be shorter than the remaining period to the Termination Date in relation to the Initial Facility;

(iv) shall rank *pari passu* in right and priority of payment with the Initial Facility;

(v) shall not have the benefit of any guarantee or Security which is not extended rateably and equally to the Lenders under the Initial Facility;

(vi) shall not contain more onerous financial or other undertakings, representations, events of default and terms of mandatory prepayment than those applicable to the Initial Facility, *provided* that this shall not restrict any additional availability conditions being imposed under the relevant Incremental Facility; and

(vii) (in case of any Incremental Term Loan Facility established on or before the date falling 12 Months after the date of this Agreement) shall not have a Yield higher than the Yield then applicable to the Initial Facility, unless the Margin applicable to the Initial Facility (at each ratchet level) is adjusted (or the Company agrees to pay such other amounts and at such other times agreeable to all of the Initial Facility Lenders, acting reasonably) by an amount to remove any difference between such Yields (a "**Margin Increase**"),

except (A) with the consent of all the Lenders under the Initial Facility (B) (in the case of paragraphs (v) to (vii) above) where the additional benefit of such term is also extended to the Initial Facility Lenders and the Agent is hereby authorised by the Lenders to execute such documents the Agent reasonably considers necessary or appropriate to effect such amendments to extend the benefit of such terms to such Lenders.

(c) Any Incremental Revolving Credit Facility:

(i) shall have Incremental Revolving Credit Facility Commitments of a minimum Base Currency Amount of HKD1,000,000 and an integral multiple of HKD1,000,000;

(ii) may not have a Termination Date that is earlier than the Termination Date in relation to the Initial Facility;

(iii) shall rank *pari passu* in right and priority of payment with the Initial Facility;

(iv) shall not have the benefit of any guarantee or Security which is not extended rateably and equally to the Lenders under the Initial Facility;

(v) shall not contain more onerous financial or other undertakings, representations, events of default and terms of mandatory prepayment than those applicable to the Initial Facility, *provided* that this shall not restrict any additional availability conditions being imposed under the relevant Incremental Facility;

(vi) (in case of any Incremental Revolving Credit Facility established on or before the date falling 12 Months after the date of this Agreement) shall not have a Yield higher than the Yield then applicable to the Initial Facility, unless the Margin applicable to the Initial Facility (at each ratchet level) is adjusted (or the Company agrees to pay such other amounts and at such other times agreeable to all of the Initial Facility Lenders, acting reasonably) by an amount to remove any difference between such Yields (a "**Margin Increase**"); and

(vii) may provide for fees applicable to such Incremental Revolving Credit Facility as agreed by the Company and the relevant Lenders thereunder, *provided* that if the percentage that such fees represent as a proportion of the relevant Incremental Revolving Credit Facility exceeds the percentage used to calculate the corresponding fees payable to the Lenders in respect of the Initial Facility (such excess being the "**Applicable Rate**"), the Company shall prior to the establishment of such Incremental Revolving Credit Facility agree to pay to the Agent for the account of the Lenders under the Initial Facility on a *pro rata* basis, amounts from time to time (as applicable) equal to the Applicable Rate of the Initial Facility Commitments (provided that such fees shall exclude arrangement fees, structuring fees or underwriting or similar fees paid to arrangers for such Incremental Revolving Credit Facility Commitments that are not generally shared with the relevant Lenders and any customary consent fees paid generally to consenting Original Incremental Facility Lenders),

except (A) with the consent of all the Lenders under the Initial Facility or (B) (in the case of paragraph (iii) to (vii) above), where the additional benefit of such term is also extended to the Lenders under the Initial Facility and the Agent is hereby authorised by the Lenders and to execute such documents the Agent reasonably considers necessary to effect such amendments to extend the benefit of such terms to such Lenders.

7.4 General

(a) The Agent may but is not obliged to, for and on behalf of the Finance Parties, together with the Guarantors' Agent, effect such amendments to this Agreement and the other Finance Documents as may be necessary or appropriate, in the reasonable opinion of the Agent, to give effect to the provisions of this Clause 7. Without prejudice to the foregoing, the Agent shall promptly upon the request of the Company enter into any amendment to any Finance Document to give effect to any Margin Increase (without any need for any further consent or instruction from any Finance Party).

(b) Each Finance Party agrees and empowers the Agent to (and the Company shall promptly upon request by the Agent (acting reasonably)) execute (and procure that each Subsidiary Guarantor executes) any amendments to the Finance Documents as may be required or appropriate in order to ensure that any Incremental Facility Loans rank *pari passu* with the Initial Facility and that each Subsidiary Guarantee extends to the Incremental Facilities.

(c) The Agent is authorised by the Group to disclose the terms of any Incremental Facility Notice to any of the other Finance Parties and, upon request by the other Finance Parties, will promptly disclose such terms to the other Finance Parties.

(d) The provisions of this Agreement will apply to each Incremental Facility and the Incremental Facility Commitments.

(e) Any Incremental Facility Notice containing conditions precedent or conditions subsequent in relation to the relevant Incremental Facility or any covenants relating to the purpose of such relevant Incremental Facility shall not, solely by virtue of such terms and conditions, be treated as not being substantially in the form set out in Schedule 8 (*Form of Incremental Facility Notice*) and any amendment or waiver of such terms shall require the consent of the requisite Lenders as specified in the relevant Incremental Facility Notice only.

(f) For the purposes of this Clause 7, "**Yield**" means, in relation to any Incremental Facility, the yield thereof, whether in the form of margin (including at each level in any margin ratchet grid), interest rate (excluding any component of an interest rate based on an interbank offer rate or, but, in the case of any Incremental Facility the rate of interest of which is not based on an interbank offer rate plus a margin, such rate of interest as reduced by an equivalent measure for an interbank offer rate as if one had applied (such reduction to be determined by the Company, acting reasonably), but in each case treating any interbank offer rate floor (or equivalent) as margin), original issue discount, upfront fees or otherwise, provided that (A) for the purposes of the calculation of Yield, any original issue discount or upfront fees shall be equated to interest rate on an assumed three year average life to maturity (with no present value discount), and (B) "Yield" shall not include arrangement fees, structuring fees or underwriting or similar fees paid to arrangers for such Incremental Facility Commitments that are not generally shared with the relevant Lenders and shall not include customary consent fees paid generally to consenting Original Incremental Facility Lenders.

7.5 Repayment of Incremental Facility

If an Incremental Facility expires in accordance with its terms the Incremental Facility Commitments of the Lenders in respect of that Incremental Facility shall be reduced to zero.

7.6 Amendments and waivers – Incremental Facilities

No amendment or waiver of a term of any Incremental Facility (other than an Incremental Facility Increase) shall require the consent of any Finance Party other than the Lenders in respect of that Incremental Facility, *provided* that:

(a) any amendment or waiver of this Clause 7; or

(b) any amendment or waiver of a term of any Incremental Facility which would (had such relevant term after giving effect to such amendment or waiver constituted a term of such Incremental Facility at the time it was made available pursuant to this Clause 7) be a breach of or conflict with this Clause 7,

shall be subject to paragraph (a)(xii) of Clause 38.2 (*Exceptions*).

Section 4
Repayment, prepayment and cancellation

8. Repayment

8.1 Initial Facility

(a) Subject to paragraph (c) below, the Company shall repay each Initial Facility Loan in full on the last day of its Interest Period.

(b) Without prejudice to the Company's obligations under paragraph (a) above, if:

(i) one or more Initial Facility Loans are to be made available to the Company (each a "**New Loan**"):

(A) on the same day that a maturing Initial Facility Loan is due to be repaid by the Company;

(B) in the same currency as the maturing Initial Facility Loan (unless it arose as a result of the operation of Clause 6.2 (*Unavailability of a currency*)); and

(C) in whole or in part for the purpose of refinancing that maturing Initial Facility Loan (as specified in the Utilisation Request for such New Loan); and

(ii) the proportion borne by each Lender's participation in that maturing Initial Facility Loan to the aggregate amount of that maturing Initial Facility Loan is the same as the proportion borne by the Lender's aggregate participation in such New Loans to the aggregate amount of those New Loans,

the aggregate amount of such New Loans shall, unless the Company notifies the Agent to the contrary in the Utilisation Request(s) for such New Loans, be treated as if applied in or towards repayment of that maturing Initial Facility Loan so that:

(1) if the amount of the maturing Initial Facility Loan exceeds the aggregate amount of such New Loans:

(I) the Company will only be required to make a payment under Clause 32.1 (*Payments to the Agent*) in respect of the repayment of that maturing Initial Facility Loan in an amount equal to that excess; and

(II) each Lender's participation (if any) in such New Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender's participation (if any) in the maturing Initial Facility Loan and that Lender will not be required to make a payment under Clause 32.1 (*Payments to the Agent*) in respect of its participation in such New Loans; and

(2) if the amount of the maturing Initial Facility Loan is equal to or less than the aggregate amount of such New Loans:

(I) the Company will not be required to make a payment under Clause 32.1 (*Payments to the Agent*) in respect of the repayment of that maturing Initial Facility Loan; and

(II) each Lender will be required to make a payment under Clause 32.1 (*Payments to the Agent*) in respect of its participation in such New Loans only to the extent that its participation (if any) in such New Loans exceeds that Lender's participation (if any) in the maturing Initial Facility Loan and the remainder of that Lender's participation in the New Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender's participation in the maturing Initial Facility Loan.

(c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in each Initial Facility Loan then outstanding will be automatically extended to the Termination Date applicable to the Initial Facility and will be treated as a separate Initial Facility Loan (each a "**Separate Loan**") and denominated in the currency in which such participations are outstanding.

(d) If the Company makes a prepayment of an Initial Facility Loan pursuant to Clause 9.3 (*Voluntary prepayment*), the Company may prepay any Separate Loan(s) by giving not less than three (3) Business Days' prior written notice (or such shorter period as the applicable Majority Facility Lenders may agree) to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.

(e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Company by the time and date specified by the Agent (acting reasonably) and will be payable by the Company to the Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Separate Loan.

(f) The terms of this Agreement relating to Initial Facility Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan. For the avoidance of doubt, each Separate Loan shall be subject to the provisions of Clause 25.15 (*Acceleration*).

8.2 Repayment of Incremental Facilities

(a) The Company shall repay each Incremental Facility Loan in respect of an Incremental Facility in accordance with the terms of the Incremental Facility Notice relating to such Incremental Facility.

(b) Notwithstanding the terms of the Incremental Facility Notice relating to an Incremental Facility, the Company shall repay the aggregate Incremental Facility Loans in respect of an Incremental Facility then outstanding in full on the Termination Date relating to that Incremental Facility.

9. Illegality, voluntary prepayment and cancellation

9.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event and the Agent shall thereafter notify the Company as soon as reasonably practicable;

(b) upon the Agent notifying the Company, the Available Commitments of that Lender will be immediately cancelled and reduced to zero (and the Commitment of that Lender in respect of each Facility shall be reduced by the amount of such reduction in that Lender's Available Commitment in respect of that Facility accordingly); and

(c) the Company shall repay that Lender's participation in the Utilisations on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) (which may not be reborrowed).

9.2 Voluntary cancellation

The Company may, if it gives the Agent not less than three (3) Business Days' (or such shorter period as the applicable Majority Facility Lenders may agree) prior written notice, cancel the whole or any part (if in part, being a minimum Base Currency Amount of HKD10,000,000 and an integral multiple of HKD10,000,000) of an Available Facility. Any cancellation under this Clause 9.2 shall reduce the Commitments of the Lenders rateably under that Facility.

9.3 Voluntary prepayment

The Company may, if it gives the Agent not less than three (3) Business Days' (or such shorter period as the applicable Majority Facility Lenders may agree) prior written notice, prepay the whole or any part of a Loan outstanding thereunder (but, if in part, being an amount that reduces the Base Currency Amount of such Loans by a minimum amount of HKD10,000,000 and an integral multiple of HKD10,000,000).

9.4 Right of cancellation and repayment in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by the Company is required to be increased under paragraph (c) of Clause 16.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from the Company under Clause 16.3 (*Tax indemnity*) or Clause 17.1 (*Increased Costs*),

(any such Lender, an "**Affected Lender**") the Company may whilst the circumstance giving rise to the requirement for indemnification continues, give the Agent written notice of cancellation of the Commitment of that Lender and its intention to repay that Lender's participation in the Utilisations.

(b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Available Commitments of that Lender will be immediately cancelled and reduced to zero (and the Commitment of that Lender in respect of each Facility shall be reduced by the amount of such reduction in that Lender's Available Commitment in respect of that Facility accordingly).

(c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Company in that notice), the Company shall repay that Lender's participation in the Utilisation to which that Interest Period relates (together with all interest and other amounts accrued under the Finance Documents) (which may not be reborrowed), *provided* that, if an Event of Default has occurred and is occurring on such day, such repayment must be funded from the proceeds of New Shareholder Injections received by the Company since the last day of the Most Recent Relevant Period.

9.5 Right of cancellation in relation to a Defaulting Lender

(a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent five (5) Business Days' prior written notice of cancellation of each Available Commitment of that Lender.

(b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.

(c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

10. Mandatory prepayment

10.1 Definitions

For the purposes of this Clause 10 (*Mandatory prepayment*):

"**Change of Control**" means the occurrence of any of the following:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Bondco and its Subsidiaries (taken as a whole) to any "person" (as that term is used in Section 13(d) of the Securities Exchange Act of 1934 of the United States of America) (other than a Sponsor or a Related Party of a Sponsor);

(b) the adoption of a plan relating to the liquidation or dissolution of Bondco;

(c) Melco ceases to beneficially own, directly or indirectly, 100 per cent. of the outstanding Equity Interests of Bondco;

(d) Melco International ceases to beneficially own and control, directly or indirectly, at least 30 per cent. of the outstanding Capital Stock of Melco (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (measured in each case, by both voting power and size of equity interests);

(e) Melco ceases to beneficially own and control, directly or indirectly, the entire outstanding Capital Stock of the Company; or

(f) the Company ceases to beneficially own and control, directly or indirectly, the entire outstanding Capital Stock of Melco Resorts Macau (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (measured in each case, by both voting power and size of equity interests), **provided that** in determining whether a Change of Control has occurred under this subparagraph (f), any class of shares of Melco Resorts Macau with only a nominal economic interest which have been created for the purposes of complying with Macanese ownership requirements shall not be deemed to form part of the outstanding Capital Stock of Melco Resorts Macau;

"**Concession Expiry**" means termination, revocation, rescission or modification of the Subconcession (including by way of expiry on its terms) which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Group, taken as a whole;

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock);

"**Land Concession Termination**" means the termination, revocation or rescission of any Land Concession (including by way of expiry on its terms) unless a new land concession with respect to the relevant Property is granted to a Group Member or Group Members in replacement of the Land Concession which is the subject of such termination, revocation or rescission;

"**Mandatory Prepayment Event**" means the occurrence of:

(a) a Change of Control;

(b) a Concession Expiry; or

(c) a Land Concession Termination; and

"**Related Party**" means:

(a) any controlling stockholder, 80% (or more) owned Subsidiary, or immediate family member (in the case of an individual) of any Sponsor; or

(b) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or persons beneficially holding an 80% or more controlling interest of which consist of any one or more Sponsors and/or such other persons referred to in the immediately preceding paragraph (a).

10.2 MandatoryPrepayment Event

If a Mandatory Prepayment Event occurs:

(a) the Company shall promptly notify the Agent upon becoming aware of that event;

(b) the Available Commitment of each Lender in respect of each Facility shall be deemed to be immediately reduced to zero (but not cancelled) and, subject to Clause 10.3 (*Prepayment elections*), no Lender shall be required to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation under a Facility requested by the Company after the occurrence of that Mandatory Prepayment Event; and

(c) subject to Clause 10.3 (*Prepayment elections*), on the date falling fifteen (15) Business Days after the Agent's receipt of the notice referred to in paragraph (a) above, the Available Commitment of each Lender in respect of each Facility shall be immediately cancelled and reduced to zero and all outstanding Utilisations, together with accrued but unpaid interest, and all other accrued amounts under the Finance Documents, shall become immediately due and payable (and may not be reborrowed).

10.3 Prepaymentelections

(a) Each Lender may (with the prior consent of the Company but otherwise in its sole discretion) elect to waive the reduction and cancellation of its Available Commitments and the prepayment of its share of the Utilisations to be made in accordance with Clause 10.2 (*Mandatory Prepayment Event*) by notifying the Agent in writing within ten (10) Business Days of the Company's notification to the Agent under Clause 10.2 (*Mandatory Prepayment Event*) that a Mandatory Prepayment Event has occurred of its election, in which case with effect from the Agent's receipt of such notice from the Lender that Lender's Available Commitments that were deemed to have been reduced in accordance with paragraph (b) of Clause 10.2 (*Mandatory Prepayment Event*) shall be immediately reinstated, that Lender shall be required to comply with Clause 5.4 (*Lenders' participation*) accordingly and paragraph (c) of Clause 10.2 (*Mandatory Prepayment Event*) shall not apply with respect to that Lender.

(b) The Agent shall promptly notify the Company of each notice received by a Lender in accordance with paragraph (a) above.

11. Restrictions

11.1 Notices of cancellation or prepayment

Any notice of cancellation or prepayment, authorisation or other election given by any Party under Clause 9 (*Illegality, voluntary prepayment and cancellation*) or Clause 10 (*Mandatory Prepayment elections*) shall be irrevocable and, unless a contrary indication appears in this Agreement, any such notice shall specify the date or dates upon which the relevant cancellation or prepayment is to be made, the affected Facility (or Facilities) and Utilisations and the amount of that cancellation or prepayment.

11.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued (but unpaid) interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

11.3 Reborrowing of Facilities

The Company may not reborrow any part of any Incremental Term Loan Facility which is prepaid. Unless a contrary indication appears in this Agreement, any part of the Initial Facility or an Incremental Revolving Credit Facility which is repaid or voluntarily prepaid may be reborrowed in accordance with the terms of this Agreement.

11.4 Prepayment in accordance with Agreement

The Company shall not repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

11.5 No reinstatement of Commitments

No amount of any Commitments cancelled under this Agreement may be subsequently reinstated.

11.6 Agent's receipt of Notices

If the Agent receives a notice or election under Clause 9 (*Illegality, voluntary prepayment and cancellation*) or Clause 10 (*Mandatory prepayment*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender(s), as appropriate.

11.7 Effect of repayment and prepayment

If all or part of a Loan under a Facility is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the amount of the Base Currency Amount of the Loan which is repaid or prepaid) in respect of that Facility will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 11.7 (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 9.1 (*Illegality*) or paragraph (c) of Clause 9.4 (*Right of cancellation and prepayment in relation to a single Lender*)) shall reduce the Commitments of the Lenders rateably under that Facility.

Section 5
Costs of utilisation

12. Interest

12.1 Calculation of interest

(a) The rate of interest on each Initial Facility Loan for each Interest Period relating thereto is the percentage rate per annum which is the aggregate of the applicable:

(i) Margin; and

(ii) (A) in relation to any Initial Facility Loan in the Base Currency, HIBOR;

(B) in relation to any Initial Facility Loan in US dollars, LIBOR; or

(C) in relation to any Initial Facility Loan in any other currency, LIBOR or (if LIBOR is not available for that currency) such other reference rate agreed between the Company and the Agent (acting on the instructions of all the Lenders under the Initial Facility),

in each case for such Initial Facility Loan and such Interest Period.

(b) The rate of interest on each Loan under an Incremental Facility for an Interest Period shall be determined in accordance with the terms of the Incremental Facility Notice in respect of such Incremental Facility.

12.2 Payment of interest

(a) The Company shall pay accrued interest on each Initial Facility Loan on the last day of each Interest Period relating to that Loan (and, if that Interest Period is longer than three (3)] Months, on the dates falling at three-monthly intervals after the first day of that Interest Period).

(b) Interest on each Incremental Facility Loan under any Incremental Facility shall be paid in accordance with the terms of the Incremental Facility Notice relating to such Incremental Facility.

(c) If the annual audited financial statements of the Group and related Compliance Certificate received by the Agent show that a higher Margin should have applied to a Loan during a certain period, then the Company shall promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period.

12.3 Default interest

(a) If the Company fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2.00 per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan made under this Agreement (under the Facility to which such Unpaid Sum relates or, if such Unpaid Sum does not specifically relate to any Facility, under the Initial Facility) in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 12.3 shall be immediately payable by the Company on demand by the Agent.

(b) If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be 2.00 per cent. per annum higher than the rate which would have applied if the Unpaid Sum had not become due.

(c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

12.4 Notification of rates of interest

(a) The Agent shall promptly notify the Lenders and the Company of the determination of a rate of interest under this Agreement.

(b) The Agent shall promptly notify the Company of each Funding Rate relating to a Loan.

13. Interest Periods

13.1 Selection of Interest Periods

(a) The Company may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is an Incremental Facility Loan under an Incremental Term Loan Facility (a "**Term Loan**") and has already been borrowed) in a Selection Notice.

(b) Each Selection Notice for a Term Loan is irrevocable and must be delivered to the Agent by the Company not later than 11.00 a.m. on the third Business Day prior to the last day of the then applicable Interest Period for that Term Loan.

(c) If the Company fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.

(d) Subject to this Clause 13, the Company may select an Interest Period for a Loan of one, two, three or six Months or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan).

(e) An Interest Period for a Loan under a Facility shall not extend beyond the Termination Date applicable to that Facility.

(f) Each Interest Period for a Term Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

(g) Each Loan that is not a Term Loan has only one Interest Period.

13.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

13.3 Consolidation and division of Term Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods:

(i) relate to Incremental Facility Loans made under the same Incremental Facility; and

(ii) end on the same date,

those Incremental Facility Loans will, unless the Company specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Incremental Facility Loan on the last day of the Interest Period.

(b) Subject to Clause 4.4 (*Maximum number of Utilisations*) and Clause 5.3 (*Currency and amount*) if the Company requests in a Selection Notice that an Incremental Facility Loan be divided into two or more Incremental Facility Loans, that Loan will, on the last day of its Interest Period, be so divided with Base Currency Amounts specified in that Selection Notice, having an aggregate Base Currency Amount equal to the Base Currency Amount of the Loan immediately before its division.

14. Changes to the calculation of interest

14.1 Absence of quotations

Subject to Clause 14.2 (*Market disruption*) and Clause 38.6 (*Replacement of Screen Rate*), if HIBOR or, if applicable, LIBOR, is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by (in relation to HIBOR) 11:00 a.m. (Hong Kong time) on the Quotation Date for HK dollars or (in relation to LIBOR) 5:00 p.m. (Hong Kong time) one Business Day after the Quotation Date for Optional Currencies, HIBOR, or, if applicable, LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

14.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's participation in that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event not less than two (2) Business Days before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

(b) In this Agreement "**Market Disruption Event**" means:

(i) at or about noon on the Quotation Date for the relevant Interest Period for the relevant Loan the Screen Rate is not available or the Screen Rate is zero or negative and none or only one of the Reference Banks supplies a rate to the Agent to determine HIBOR or, if applicable, LIBOR for the relevant currency and Interest Period; or

(ii) before close of business on the Business Day immediately following the Quotation Date for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed thirty-five per cent. (35%) of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of HIBOR or, if applicable, LIBOR.

(c) If a Market Disruption Event shall occur, the Agent shall promptly notify the Lenders and the Company thereof.

14.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

(c) For the avoidance of doubt, in the event that no substitute basis is agreed at the end of the thirty (30) day period, the rate of interest shall continue to be determined in accordance with the terms of this Agreement.

14.4 Break Costs

(a) The Company shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Company on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

15. Fees

15.1 Commitment fee

(a) The Company shall pay to the Agent (for the account of each Lender with an Initial Facility Commitment) a commitment fee in the Base Currency that is computed on a daily basis at a rate of 35 per cent. of the then applicable Margin on that Lender's Available Commitment in respect of the Initial Facility for each day during the Availability Period for the Initial Facility.

(b) Any accrued commitment fee under paragraph (a) above is payable in arrears on the last day of each successive period of three Months which ends during the Availability Period for the Initial Facility, on the last day of the Availability Period for the Initial Facility and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment in respect of the Initial Facility at the time such cancellation is effective.

(c) The Company shall pay to the Agent (for the account of each Lender with a Commitment in respect of an Incremental Facility) the fee (if any) specified as the commitment fee in the Incremental Facility Notice relating to that Incremental Facility at the times and in the amounts specified in the applicable Incremental Facility Notice.

(d) No commitment fee is payable to the Agent (for the account of a Lender), or shall accrue by reference to any Available Commitment of any Lender, for any day on which that Lender is a Defaulting Lender.

15.2 Upfront fee

The Company shall pay to the Arrangers the upfront fee(s) in the amount(s) and at the times agreed in any Fee Letter.

15.3 Agency fee

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in any Fee Letter.

16. Tax gross-up and indemnities

16.1 Definitions

(a) In this Agreement:

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means an increased payment made by the Company to a Finance Party under Clause 16.2 (*Tax gross-up*) or a payment under Clause 16.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 16 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

16.2 Tax gross-up

(a) The Company shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company.

(c) If a Tax Deduction is required by law to be made by the Company, the amount of the payment due from the Company shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If the Company is required to make a Tax Deduction, the Company shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Company shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

16.3 Tax indemnity

(a) Without prejudice to Clause 16.2 (*Tax gross-up*), the Company shall (within five (5) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or the transactions occurring under such Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party;

(ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 16.2 (*Tax gross-up*); or

(iii) to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from the Company under this Clause 16.3, notify the Agent.

16.4 Tax Credit

If the Company makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained and utilised that Tax Credit,the Finance Party shall pay an amount to the Company which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Company.

16.5 Stamp Taxes

The Company shall pay and, within five (5) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration, excise and other similar Taxes payable in respect of any Finance Document or the transactions occurring under any of them.

16.6 Indirect Tax

(a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

(b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

16.7 Survival of obligations

Without prejudice to the survival of any other section of this Agreement, the agreements and obligations of the Company and each Finance Party contained in this Clause 16 shall survive the payment in full by the Company of all obligations under this Agreement and the termination of this Agreement.

16.8 FATCA information

(a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

16.9 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

17. Increased Costs

17.1 Increased Costs

(a) Subject to Clause 17.3 (*Exceptions*) the Company shall, within five (5) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement;

(ii) compliance with any law or regulation made after the date of this Agreement;

(iii) the implementation or application of, or compliance with, Basel III or any law or regulation that implements or applies Basel III; or

(iv) the implementation or application of, or compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any law or regulation that implements or applies the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The terms "law" and "regulation" in this paragraph (a) shall include, without limitation, any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement:

(i) "**Increased Costs**" means:

(A) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital (including, without limitation, as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

(ii) "**Basel III**" means the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision on 16 December 2010, each as amended, supplemented or restated.

17.2 Increased Cost claims

(a) A Finance Party (other than the Agent) intending to make a claim pursuant to Clause 17.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.

(b) Each Finance Party (other than the Agent) shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

17.3 Exceptions

(a) Clause 17.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by the Company;

(ii) compensated for by Clause 16.3 (*Tax indemnity*) (or would have been compensated for under Clause 16.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 16.3 (*Tax indemnity*) applied);

(iii) attributable to a FATCA Deduction required to be made by a Party;

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(v) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

(b) In this Clause 17.3, a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 16.1 (*Definitions*).

18. Other indemnities

18.1 Currency indemnity

(a) If any sum due from the Company under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against the Company; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Company shall as an independent obligation, within five (5) Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

18.2 Other indemnities

The Company shall (or shall procure that a member of the Group will), within five (5) Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by it as a result of:

(a) the occurrence of any Event of Default;

(b) any information produced or approved by it being or being alleged to be misleading and/or deceptive in any respect;

(c) any enquiry, investigation, subpoena (or similar order) or litigation with respect to the Company, any Subsidiary Guarantor, or the transactions contemplated or financed under this Agreement;

(d) a failure by the Company or a Subsidiary Guarantor to pay any amount due under a Finance Document on its due date or in the relevant currency, including without limitation, any cost, loss or liability arising as a result of Clause 31 (*Sharing among the Finance Parties*);

(e) funding, or making arrangements to fund, its participation in a Loan requested by the Company in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company.

18.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default;

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

19. Mitigation by the Lenders

19.1 Mitigation

(a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 9.1 (*Illegality*), Clause 16 (*Tax gross-up and indemnities*) or Clause 17 (*Increased Costs*), including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of the Company under the Finance Documents.

19.2 Limitation of liability

(a) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 19.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 19.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

20. Costs and expenses

20.1 Transaction expenses

The Company shall within five (5) Business Days (other than in respect of costs and expenses required to be paid as a condition to Utilisation, which shall be payable in accordance with such condition) on demand pay the Agent and the Arrangers the amount of all costs and expenses (including legal fees, subject to caps (if any) that may be agreed with the applicable legal counsel) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution, syndication of:

(a) the Facility;

(b) this Agreement and any other documents referred to in this Agreement; and

(c) any other Finance Documents executed after the date of this Agreement and any other documents referred to therein.

20.2 Amendment costs

If (a) the Company or a Subsidiary Guarantor requests an amendment, waiver or consent or (b) an amendment or is required pursuant to Clause 7 (*Incremental Facilities*), Clause 32.10 (*Change of currency*), Clause 38.3 (*Extension of Commitments*), Clause 38.6 (*Replacement of Screen Rate*) or any other provision of this Agreement, the Company shall, within five (5) Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees, disbursements and other out of pocket expenses) reasonably incurred or made by the Agent and/or the Arrangers in responding to, evaluating, negotiating or complying with that request or requirement.

20.3 Enforcement and preservation costs

The Company shall, within five (5) Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees, disbursements and other out of pocket expenses) incurred by that Finance Party in connection with the protection or enforcement of or the preservation of any rights under any Finance Document and any proceedings instituted by or against any Finance Party as a consequence of enforcing such rights.

Section 8
Representations, undertakings and Events of Default

21. Representations

21.1 General

The Company makes the representations and warranties set out in this Clause 21 (*Representations*) to each Finance Party at the times set out herein.

21.2 Times when representations made

(a) All the representations and warranties in Clause 21 (*Representations*) are made by the Company on the date of this Agreement.

(b) The Repeating Representations are deemed to be made by the Company on:

(i) the date of each Utilisation Request;

(ii) each Utilisation Date; and

(iii) the first day of each Interest Period.

(c) The representations and warranties in Clause 21.14 (*Financial statements*) are deemed to be made by the Company in respect of each set of financial statements supplied to the Agent on the date such financial statements are delivered and shall only be made once in respect of each set of financial statements.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

21.3 Status

(a) It is a corporation duly incorporated or organised, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organisation, as the case may be.

(b) Each Group Member has the power to own its assets and carry on its business as it is being conducted.

21.4 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations.

21.5 Pari passu

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

21.6 Non-conflict with other obligations

Its entry into and performance of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) the constitutional documents of any Group Member; or

(c) any agreement or instrument binding upon it or any of its Subsidiaries or any of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument, except where a Material Adverse Effect does not or would not be reasonably expected to occur.

21.7 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary corporate action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

21.8 Validity and admissibility in evidence

(a) All Authorisations required:

(i) to enable it to lawfully enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party; and

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

(b) All Authorisations necessary for the Group to carry out its business relating to the Projects, where the failure of obtaining such Authorisations has or would reasonably be expected to have a Material Adverse Effect, have been obtained or effected and are in full force and effect.

21.9 Governing law and enforcement

Subject to the Legal Reservations:

(a) the choice of governing law of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions; and

(b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

21.10 Deduction of Tax

It is not required under the laws of its Relevant Jurisdiction or at its address specified in this Agreement to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

21.11 No default

(a) No Event of Default is continuing or would reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on any Group Member or to which any assets of the Group are subject which has or would reasonably be expected to have a Material Adverse Effect.

21.12 Taxation

No Group Member is materially overdue in the filing of any Tax returns nor is any Group Member overdue in the payment of any amount in respect of Tax, (a) where the failure to file or pay the Tax has or would reasonably be expected to have a Material Adverse Effect or (b) unless such payment is being contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets have been retained in accordance with GAAP in respect of such payment.

21.13 No misleading information

Save as disclosed in writing to the Agent and the Arrangers prior to the date of this Agreement:

(a) Any factual information provided by the Company or on its behalf for the preparation of the Financial Model was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.

(b) The financial projections contained in the Financial Model were arrived at after careful consideration and prepared in good faith and with due care on the basis of recent historical information at the time and on the basis of assumptions which were reasonable at the time at which they were prepared and supplied.

(c) The expressions of opinion or intention provided by the Company or on its behalf for the purposes of any Financial Model were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) based on reasonable grounds.

(d) All other written factual information provided by the Company or on its behalf to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and was not misleading in any material respect.

21.14 Financial statements

(a) The financial statements most recently supplied to the Agent (which, at the date of this Agreement, are the Original Financial Statements) were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements.

(b) The financial statements most recently supplied to the Agent (which, at the date of this Agreement, are the Original Financial Statements) present fairly, in all material respects (if audited) or fairly represent (if unaudited) the financial condition and operations (consolidated in the case of the Company) of the person and for the period to which they relate, save to the extent expressly disclosed in such financial statements.

21.15 No proceedings pending or threatened

Save for any frivolous or vexatious claims (which, in the case of any such proceedings commenced in any jurisdiction other than Macau SAR, have been vacated, discharged, stayed or bonded pending appeal within 60 days of commencement) or save as otherwise disclosed to and accepted by the Agent, to the best of its knowledge and belief and having made due and careful enquiry, no litigation, arbitration, administrative proceedings or investigations of, or before, any court, arbitral body or other Governmental Authority which has or would reasonably be expected to have an Excluded Project Material Adverse Effect have been started or threatened against any Group Member.

21.16 No breach of laws

No Group Member has breached any law or regulation which breach has or would reasonably be expected to have a Material Adverse Effect.

21.17 Environmental laws

Each Group Member is in compliance with Clause 24.3 (*Environmental compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or would reasonably be expected to have a Material Adverse Effect.

21.18 Good title to assets

Each Group Member has good, valid and marketable title to, or valid leases or licences of or is otherwise permitted to use the assets necessary to carry on its business as currently conducted.

21.19 Security and Financial Indebtedness

(a) No Security or Quasi-Security exists over all or any of the present or future assets of any Group Member other than Permitted Security.

(b) No Group Member has any Financial Indebtedness outstanding other than Permitted Group Financial Indebtedness.

21.20 Anti-corruption

Neither it nor any of its Subsidiaries nor (to its knowledge) any director, officer, or employee thereof has taken any illegal action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person to improperly influence official action by that person for the benefit of it or its Subsidiaries or to otherwise secure an improper business advantage for it or its Subsidiaries which would breach the US Foreign and Corrupt Practices Act 1977, as amended; the UK Bribery Act 2010, as amended or any other applicable anti-bribery or corruption law or regulation (together "**the Anti-Bribery and Corruption Laws**"); and it and its Subsidiaries have conducted their business in compliance with all applicable Anti-Bribery and Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

21.21 Anti-money laundering

The operations of it and its Subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements and the applicable anti-money laundering statutes of jurisdictions where it and its Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving it or any of its Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best of its knowledge, threatened.

21.22 Sanctions

(a) Neither it nor any of its Subsidiaries, nor (to its knowledge) any director, officer, or employee thereof is a Sanctioned Person, or is owned or controlled by a Sanctioned Person.

(b) For the past five (5) years, it and its Subsidiaries have not knowingly engaged in, and are not now knowingly engaged in any dealings or transactions with any Sanctioned Person, or in any country or territory that at the time of the dealing or transaction is or was a Sanctioned Country.

22. Information undertakings

The covenants in this Clause 22 (*Information undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 Definitions

In this Agreement:

"**Annual Financial Statements**" means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 22.2 (*Financial statements*).

"**Quarterly Financial Statements**" means the financial statements delivered pursuant to paragraph (b) of Clause 22.2 (*Financial statements*).

"**Relevant Financial Statements**" means Annual Financial Statements or Quarterly Financial Statements, as the context requires.

22.2 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

(a) as soon as they are available, but in any event within 120 days after the end of each of its Financial Years:

(i) its audited consolidated financial statements for that Financial Year reported on without any "going concern" or like qualification or exception, or any other qualification arising out of the scope of each audit, by the Auditors; and

(ii) the unaudited consolidated financial statements for the Group (upon which the Auditors will perform certain agreed upon procedures to verify their correctness); and

(b) as soon as they are available, but in any event within 60 days after the end of each Financial Quarter of each of its Financial Years, its unaudited consolidated financial statements for that Financial Quarter (together with consolidating financial statements), prepared without taking into account any contribution from any Excluded Project Revenues, any Excluded Project, Excluded Subsidiary or any other entity outside the Group.

22.3 Provision and contents of Compliance Certificate

(a) The Company shall supply a Compliance Certificate to the Agent with each set of Relevant Financial Statements of the Company.

(b) Each Compliance Certificate shall, among other things, set out (in reasonable detail) computations of Senior Leverage, Total Leverage and Interest Cover for each Relevant Period, computations as to compliance with Clause 23.2 (*Financial condition*) and the Margin computations set out in the definition of "Margin" as at the date as at which the corresponding Relevant Financial Statements were drawn up.

(c) Each Compliance Certificate shall be signed by an Authorised Representative.

22.4 Requirements as to financial statements

(a) The Company shall procure that:

(i) each set of Relevant Financial Statements includes a balance sheet, profit and loss account and cashflow statement;

(ii) each set of Annual Financial Statements shall be audited by the Auditors; and

(iii) each set of Quarterly Financial Statements includes equivalent figures for the Financial Year to date and each set of Relevant Financial Statements sets forth in comparative form figures for the previous year.

(b) The Company shall procure that each set of Relevant Financial Statements:

(i) shall be certified by an Authorised Representative as presenting fairly, in all material respects, (in the case of Annual Financial Statements for any Financial Year), or fairly representing (in other cases), its financial condition and operations as at the date as at which those financial statements were drawn up, and in the case of its audited Original Financial Statements, fairly representing (as at the time such financial statements are delivered) its consolidated financial condition and results of operations and present fairly, in all material respects, its consolidated financial condition and results of operations; and

(ii) shall be prepared using GAAP, accounting practices and financial reference periods substantially consistent with those applied in the preparation of the Financial Model and the Original Financial Statements unless the Company notifies the Agent that there has been a change in GAAP, or the accounting practices and its Auditors (or, if appropriate, the Auditors of the relevant Group Member), in which case, it shall deliver to the Agent:

(A) a description of any change necessary for those financial statements to reflect GAAP, or accounting practices upon which the Financial Model or, as the case may be, any Original Financial Statements or subsequent financial statements were prepared; and

(B) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether comparable computations to those referred to in Clause 22.3 (*Provision and contents of Compliance Certificate*) have been made, to determine whether Clause 23 (*Financial covenants*) has been complied with, to determine the Margin as set out in the definition of "Margin" and to make an accurate comparison between the financial position indicated in those financial statements and the Financial Model, the Original Financial Statements or, as the case may be, any subsequent financial statements.

(c) If the Company notifies the Agent of any change in accordance with paragraph (b)(ii) above, the Company and Agent shall enter into negotiations in good faith with a view to agreeing:

(i) whether or not the change might result in any material alteration in the commercial effect of any of the terms of this Agreement; and

(ii) if so, any amendments to this Agreement which may be necessary to ensure that the change does not result in any material alteration in the commercial effect of those terms,

and, if any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms. If no such agreement is reached within thirty (30) days of that notification of change, the Agent shall (if so requested by the Majority Lenders) instruct the Auditors or independent accountants (approved by the Company or, in the absence of such approval within five (5) days of request by the Agent of such approval, a firm with recognised expertise) to determine any amendments to Clause 23 (*Financial covenants*), the Margin computations set out in the definition of "Margin" and any other terms of this Agreement which the Auditors or, as the case may be, accountants (acting as experts and not arbitrators) consider appropriate to ensure the change does not result in any material alteration in the commercial effect of the terms of this Agreement. Those amendments shall take effect when so determined by the Auditors, or as the case may be, accountants. The cost and expense of the Auditors or accountants shall be for the account of the Company.

22.5 Year-end

The Company shall not change its Financial Year-end or Financial Quarter-end dates and shall procure that each Financial Year-end of each other member of the Group falls on 31 December and each Financial Quarter-end of each other member of the Group falls on the relevant Quarter Date.

22.6 Subconcession and Land Concessions

The Company shall:

(a) notify the Agent promptly upon receiving:

(i) notice of any consultations with the Macau SAR in relation to any termination of the Subconcession;

(ii) notice of any consultations with the Macau SAR in relation to any termination or rescission of the Land Concession;

(iii) notice of any negotiations with the Macau SAR pursuant to article 83 of the Subconcession;

(iv) any notice from the Macau SAR pursuant to clause 3 of article 80 of the Subconcession; or

(v) any notice from the Macau SAR pursuant to clause 4 of article 80 of the Subconcession,

and keep the Agent fully appraised thereof; and

(b) promptly upon receipt of a request from the Agent (acting on the instructions of the Majority Lenders), supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests), a copy of each written notice which is delivered under or in connection with the Subconcession or any Land Concession (and which is relevant and material to the interests of the Finance Parties (taken as a whole)).

22.7 Information: miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) at the same time as they are dispatched, copies of all documents dispatched by the Company or a Subsidiary Guarantor to its shareholders generally (or any class of them) or dispatched by the Company or a Subsidiary Guarantor to its creditors generally (or any class of them);

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or investigation by a Governmental Authority or other administrative proceedings which are current, threatened or pending against any member of the Group which would involve a loss, liability, or a potential or alleged loss or liability, exceeding USD50,000,000 (or its equivalent) or which has or would reasonably be expected to have an Excluded Project Material Adverse Effect, or any material development in any such proceedings, in each case together with such other information concerning such proceedings as the Agent may reasonably require;

(c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which might have a Material Adverse Effect;

(d) (at the same time, and to the extent permitted by any applicable law, regulation or any other restriction imposed by a stock exchange or regulatory authority and provided such notification is not prohibited by any confidentiality obligations owed by any member of the Group to any Sponsor or any other person in connection with the acquisition of a member of the Group or Bondco or any of its Subsidiaries) details of an issue, allocation or transfer of the legal or beneficial ownership of or change of control of any share of any member of the Group, Bondco or any Subsidiary of any of the foregoing;

(e) a copy of any filing made with any stock exchange or regulatory authority in respect of circumstances that could give rise to a change of control of any share of any member of the Group at the same time as that filing is made;

(f) promptly on request, such further information regarding the financial condition, assets and operations of any member of the Group or an updated group structure chart as any Finance Party through the Agent may reasonably request;

(g) promptly on request (acting reasonably and to the extent being prepared), the most recent quarterly unaudited consolidated financial statements and/or audited annual financial statements (as the case may be) of Melco (and, in the case of such annual financial statements, audited by the Auditors) in each case to the extent that such financial statements are not publicly available; and

(h) promptly upon any incurrence of such Financial Indebtedness or the establishment of a facility for the incurrence of such Financial Indebtedness, subject to any confidentiality requirements of a Governmental Authority of the Macau SAR, details of any Financial Indebtedness incurred or any facility established in respect of Financial Indebtedness that may be incurred under paragraph (h) of the definition of "Permitted Group Financial Indebtedness".

22.8 Notification of default

(a) The Company shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

(c) The Company shall notify the Agent of the occurrence promptly upon becoming aware thereof of an event of default (however described) under or in respect of any Bondco Indebtedness.

22.9 "Know your customer" checks

(a) If:

(i) any existing law or regulation or the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of a member of the Group or the composition of the shareholders of a member of the Group after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement or any other Finance Document to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

23. Financial covenants

23.1 Financial definitions

In this Agreement:

"**Acceptable Government Securities**" means:

(a) securities issued, or directly and fully guaranteed or insured, by the United States government or any agency or instrumentality of the United States government (as long as the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than nine Months from the date of acquisition; and

(b) securities issued, or directly and fully guaranteed or insured, by the government of the Hong Kong SAR or any agency or instrumentality of the government of the Hong Kong SAR (as long as the full faith and credit of the Hong Kong SAR is pledged in support of those securities) having maturities of not more than nine Months from the date of acquisition.

"**Applicable Test Date**" means each Test Date falling on or after the First Test Date.

"**Borrowings**" means, at any time, the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any Capitalised Lease Obligations (and for the avoidance of doubt, any deposit paid to and retained by a member of the Group in connection with any lease of real property shall not fall within this paragraph (d));

(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis (or where recourse is limited to customary warranties and indemnities));

(f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition, **excluding** (i) any given in respect of (A) trade credit arising in the ordinary course of business or (B) any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade; (ii) any documentary credit which is or is to the extent of being, cash collateralised and (iii) any contingent liability of a member of the Group under a Concession Bank Guarantee Facility or any other bank guarantee or performance bond in each case that is required to be posted under the terms of the Land Concession or the Subconcession;

(g) any amount raised by the issue of redeemable shares which are redeemable (other than solely at the option of the issuer) on or before the Final Termination Date;

(h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(i) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and

(j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above,

excluding in each case (but only to the extent otherwise included) (I) any current trade receivables and payables arising between (x) on the one hand, members of the Group and (y) on the other, members of the Melco Group or Sponsor Group Shareholders, arising in the ordinary course of trading and (II) any Financial Indebtedness referred to in paragraph (h) of the definition of "Permitted Group Financial Indebtedness".

"**Capitalised Lease Obligations**" means, with respect to any person, any obligation arising from leases or hire purchase contracts which, under GAAP would be required to be treated as a Finance Lease or otherwise capitalised in the (where applicable, audited) financial statements of that person, but only to the extent of that treatment and excluding (a) any obligation arising from an Excluded Lease, and (b) any guarantee given by a Group Member in the ordinary course of business solely in connection with, or in respect of, any obligations of any other Group Member referred to in (a).

"**Cash**" means, at any time, cash at bank credited to an account in the name of a member of the Group with an Acceptable Bank and to which a member of the Group is alone beneficially entitled and for so long as:

(a) that cash is repayable within 30 days of demand;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;

(c) there is no Security over that cash, except Permitted Security falling under any of paragraph (a), (c) or (d) of the definition of "Permitted Security"; and

(d) subject to paragraph (a) above, such cash is otherwise freely and immediately available to be applied in repayment or prepayment of the Facilities.

"**Cash Equivalent Investments**" means at any time:

(a) deposits maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of any country or by an instrumentality or agency of any of them having an equivalent credit rating of either A-1 or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

  (i) for which a recognised trading market exists;

  (ii) issued by an issuer incorporated in the United States of America;

  (iii) which matures within one year after the relevant date of calculation; and

  (iv) which has a credit rating of either A-2 or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or P-2 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(d) any investment accessible within 30 days in money market funds which have a credit rating of either A-2 or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or P-2 or higher by Moody's Investor Services Limited and which invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above;

(e) interest-bearing demand or time deposits (which may be represented by certificates of deposit) issued by Acceptable Banks or, if not issued by Acceptable Banks, secured at all times, in the manner and to the extent provided by law, by collateral security in Acceptable Government Securities, of a market value of no less than the amount of monies so invested;

(f) repurchase obligations with a term of not more than seven (7) days for underlying Acceptable Government Securities entered into with any financial institution meeting the qualifications specified in paragraph (e) above; or

(g) any other debt security approved by the Majority Lenders for this purpose,

in each case, to which any member of the Group is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Permitted Security falling under any of paragraph (a), (c) or (d) of the definition of "Permitted Security").

"**Consolidated EBITDA**" means, for any Relevant Period, the consolidated profits of the Group from ordinary activities before taxation for that Relevant Period:

(a) **before deducting** any income Tax expense (whether or not paid during that period) other than Tax on gross gaming revenue;

(b) **before deducting** any Consolidated Net Finance Charges (which, for the purposes of this paragraph (b) only, shall include the aggregate amount of any accrued interest or any other finance charges payable under any Sponsor Group Loan or Subordinated Debt);

(c) **before taking into account** any accrued interest owing to any member of the Group;

(d) **before taking into account** any gains, losses or charges associated with hedges, options or other derivative instruments;

(e) **before deducting** any amount attributable to the amortisation of goodwill or other intangible assets or debt issuance costs or the depreciation of tangible assets;

(f) **before taking into account** any items treated as Exceptional Items or extraordinary items (including the amount of any gain or loss arising from the disposal of any interest in an Excluded Subsidiary);

(g) **after deducting** the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;

(h) **after deducting** the amount of any profit of any investment or entity (which is not itself a member of the Group) in which any member of the Group has an ownership interest to the extent that the amount of such profit included in the financial statements of the Group exceeds the amount (net of applicable withholding tax) received in cash by members of the Group through distributions by such investment or entity;

(i) **before taking into account** any realised and unrealised exchange gains and losses including those arising on translation of currency debt; and

(j) **before taking into account** any gain or loss arising from an upward or downward revaluation of any asset,

in each case, (A) without double counting to the extent added, deducted or taken into account, as the case may be, for the purposes of determining profits of the Group from ordinary activities before taxation and (B) without taking into account the amount of any profit or loss (but only, in each case, to the extent otherwise taken into account) of any member of the Group which is attributable to any Excluded Project, any Excluded Project Revenues or its interest in any Excluded Subsidiary.

"**Consolidated Net Finance Charges**" means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Borrowings whether paid, payable or capitalised by any member of the Group in respect of that Relevant Period:

(a) **excluding** any such obligations owed to any other member of the Group;

(b) **including** the interest element of leasing and hire purchase payments in respect of Finance Leases (but, for the avoidance of doubt, **excluding** any rental payments in respect of any operating lease or leases which, in accordance with GAAP, are treated as an operating lease or in respect of any Excluded Leases);

(c) **including** any accrued commission, fees, discounts and other finance payments payable by any member of the Group to counterparties under any interest rate or other hedging arrangement;

(d) **deducting** any accrued commission, fees, discounts and other finance payments owing to any member of the Group under any interest rate or other hedging arrangement;

(e) **deducting** any accrued interest owing to any member of the Group on any Cash or Cash Equivalent Investments;

(f) **excluding** any interest or other finance payments (capitalised or otherwise) in respect of any Sponsor Group Loans or Subordinated Debt; and

(g) **excluding** any accrued commission and fees payable by the Company under any Fee Letters or amortisation of debt issuance costs.

"**Consolidated Senior Debt**" means, at any time, the aggregate amount of all obligations of the Group for or in respect of Borrowings but:

(a) **excluding** any such obligations to any other member of the Group and any Sponsor Group Loans or Subordinated Debt;

(b) **including** any obligations under or in respect of any Bond Guarantee, (i) excluding any Bond Guarantees to the extent they are subordinated on substantially the same terms as the Subordination Deed or otherwise on terms acceptable to the Agent (acting on the instructions of the Majority Lenders, acting reasonably) and (ii) in the case of Bond Guarantees provided by a Group Member other than the Company, only to the extent such Bond Guarantees are provided in accordance with paragraph (g)(ii)(A) of the definition of "Permitted Group Guarantee"; and

(c) **including**, in the case of finance leases, only the capitalised value therefor,

and so that no amount shall be included or excluded more than once.

"**Consolidated Total Debt**" means, at any time, the aggregate amount of all obligations of the Group for or in respect of Borrowings but:

(a) **excluding** any such obligations to any other member of the Group and any Sponsor Group Loans or Subordinated Debt;

(b) **including** any obligations under or in respect of any Bond Guarantee (but excluding them to the extent they are subordinated on substantially the same terms as the Subordination Deed or otherwise on terms acceptable to the Agent (acting on the instructions of the Majority Lenders, acting reasonably)); and

(c) **including**, in the case of finance leases, only the capitalised value therefor,

and so that no amount shall be included or excluded more than once.

"**Excluded Lease**" means any lease or hire purchase contract, or a liability under which, which would, in accordance with GAAP be treated as an operating lease liability on the balance sheet of the relevant entity.

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent gains or losses including those arising in connection with:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations or impairment of non-current assets;

(c) disposals of assets associated with discontinued operations;

(d) issuance or repayment of indebtedness, refinancing transactions or amendment or modifications; or

(e) expenses related to costs incurred in connection with any acquisition, investment or recapitalization.

"**Finance Lease**" means any lease or hire purchase contract, or a liability under which, which would, in accordance with GAAP, be treated as a balance sheet liability (other than an Excluded Lease).

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Financial Year**" means the annual accounting period of the Group ending on or about 31 December in each year.

"**First Test Date**" means 30 September 2020.

"**Interest Cover**" means the ratio of Consolidated EBITDA to Consolidated Net Finance Charges in respect of any Relevant Period.

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**Relevant Period**" means each period of twelve months ending on the last day of each Financial Quarter of the Company's financial year.

"**Senior Leverage**" means the ratio of Consolidated Senior Debt on a specified date to Consolidated EBITDA in respect of any Relevant Period ending on such date.

"**Test Date**" means each Quarter Date.

"**Total Leverage**" means the ratio of Consolidated Total Debt on a specified date to Consolidated EBITDA in respect of any Relevant Period ending on such date.

23.2 Financial condition

The Company shall ensure that:

(a) **Interest Cover**

Interest Cover in respect of each Relevant Period ending on an Applicable Test Date shall not be less than 2.50:1.

(b) **Senior Leverage**

Senior Leverage in respect of each Relevant Period ending on an Applicable Test Date shall not exceed 3.50:1.

(c) **Total Leverage**

Total Leverage in respect of each Relevant Period ending on an Applicable Test Date shall not exceed 4.50:1.

23.3 Financial testing

(a) The financial covenants set out in Clause 23.2 (*Financial condition*) shall be calculated and tested by reference to each of the Relevant Financial Statements and/or each Compliance Certificate delivered pursuant to Clause 22.3 (*Provision and contents of Compliance Certificate*).

(b) To the extent any financial covenant, Senior Leverage, Total Leverage or Interest Cover ratio is used as the basis (in whole or part) for determining whether any transaction or activity is permitted or making any determination under any Finance Document (including on a *pro forma* basis) at any time after a Test Date (but not for the purposes of compliance with this Clause 23), Consolidated Senior Debt and Consolidated Total Debt as at such Test Date shall (for the purposes of such determination only) be deemed to have been reduced to take into account any repayment of Financial Indebtedness of any Group Member made after such Test Date but on or before the date of such determination (as if such repayment were made on such Test Date) and shall be deemed to have been increased to take into account any incurrence or assumption of Financial Indebtedness by any Group Member after such Test Date but on or before the date of such determination (as if such incurrence or assumption were made on such Test Date), and such financial covenant, Senior Leverage, Total Leverage or Interest Cover ratio as at such Test Date or for the Relevant Period ending on such Test Date shall, for the purposes of such determination, be determined accordingly.

(c) For the purpose of this Clause 23, no item shall be included or excluded or otherwise taken into account more than once in any calculation.

24. General undertakings

24.1 Permits

The Company shall (and shall procure that each applicable member of the Group will) promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) upon request by the Agent supply certified copies to the Agent of,

any Authorisation (including any amendments, supplements or other modifications thereto) required under any law or regulation of a Relevant Jurisdiction to:

(i) enable the Company and the Subsidiary Guarantors to perform their respective obligations under the Transaction Documents;

(ii) ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document; and

(iii) enable each Group Member to own its assets and carry on its business which are part of the Projects,

where failure to do so has or would be reasonably expected to have a Material Adverse Effect.

24.2 Compliance with laws

The Company shall (and shall ensure that each member of the Group will) comply with all Legal Requirements and its Constitutional Documents (in each case, where non-compliance has or would be reasonably expected to have a Material Adverse Effect).

24.3 Environmental compliance

The Company shall (and shall ensure that each member of the Group will):

(a) comply with all Environmental Laws applicable to it;

(b) obtain, maintain and ensure compliance in all respects with all requisite Environmental Permits;

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has or would reasonably be expected to have a Material Adverse Effect.

24.4 Environmental claims

The Company shall inform the Agent as soon as reasonably practicable upon becoming aware of:

(a) any Environmental Claim which has commenced or (to the best of its knowledge and belief) is threatened against any member of the Group; or

(b) any facts or circumstances which results in or would reasonably be expected to result in any Environmental Claim being commenced or threatened against any member of the Group,

in each case where such Environmental Claim has or would reasonably be expected, if determined against that member of the Group, to have a Material Adverse Effect.

24.5 Taxation

(a) The Company shall (and shall ensure that each member of the Group will) duly and punctually pay and discharge all Taxes required to be paid by it when due within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are being maintained for those Taxes or other obligations and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 22.2 (*Financial statements*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes or other obligations does not have and would not reasonably be expected to have a Material Adverse Effect.

(b) The Company shall not (and shall ensure that Melco Resorts Macau does not) change its residence for Tax purposes.

(c) The Company shall inform the Agent as soon as practicable upon becoming aware of any claims or investigations made or conducted against members of the Group with respect to Taxes where a liability of, or a claim against, such members of the Group of US$50,000,000 (or its equivalent in any other currency) or more would reasonably be expected to arise, other than any claims or investigations that are being contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets have been retained in accordance with GAAP in respect of such claims or investigations.

24.6 Anti-corruption

The Company shall not (and shall ensure that each member of the Group and each of its Subsidiaries shall not) take any illegal action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person to improperly influence official action by that person for the benefit of it or its Subsidiaries which would breach applicable Anti-Bribery and Corruption Laws, or to otherwise secure an improper business advantage for it or its Subsidiaries; and it and its Subsidiaries will continue to maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Bribery and Corruption Laws. The Company shall not (and shall ensure that each member of the Group and each of its Subsidiaries does not) use the proceeds for any purpose that would violate applicable Anti-Bribery and Corruption Laws.

24.7 Anti-money laundering

(a) The Company shall use its commercially reasonable efforts to ensure that no funds used to pay the obligations under the Finance Documents are derived from any unlawful activity.

(b) The Company shall (and shall ensure that each member of the Group will) ensure the operations of it and its subsidiaries will be conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements and the applicable anti-money laundering statutes of jurisdictions where it and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency.

24.8 Sanctions

(a) The Company shall not (and shall ensure that no member of the Group will), directly or indirectly, use the proceeds of the Facilities, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or Sanctioned Person:

(i) to fund or facilitate any activities or business of or with any Sanctioned Person or in any country or territory that, at the time of such funding or facilitation, is a Sanctioned Country; or

(ii) in any other manner that will result in a violation of Sanctions by any director, officer, employee, agent, Affiliate or representative of it or any of its Subsidiaries.

(b) The Company shall not (and shall ensure that no member of the Group will) engage in any dealings or transactions with any Sanctioned Person, or in any country or territory that at the time of the dealing or transaction is a Sanctioned Country.

24.9 Merger

The Company shall not (and shall ensure that no member of the Group will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than a Permitted Transaction or a Permitted Reorganisation.

24.10 Conduct of business and maintenance of status

The Company shall procure that no substantial change is made to the general nature of the business of the Group (taken as a whole) from that carried on as at 31 December 2019.

24.11 Holding company activities

The Company shall not (and shall ensure that MCO Investments does not) trade, carry on any business, own any assets or incur any liabilities except for Permitted Holding Company Activities.

24.12 Pari passu ranking

The Company shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

24.13 Negative pledge

In this Clause 24.13, "**Quasi-Security**" means a transaction described in paragraph (b) below.

Except as permitted under paragraph (c) below:

(a) The Company shall not (and shall ensure that no member of the Group will) create or permit to subsist any Security over any of its assets.

(b) The Company shall not (and shall ensure that no member of the Group will):

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any member of the Group;

(ii) sell, transfer factor or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:

(i) Permitted Security; or

(ii) a Permitted Transaction or otherwise granted in connection with a Permitted Transaction.

24.14 Disposals

(a) Except as permitted under paragraph (b) below, the Company shall not (and shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all (or substantially all) of any Key Asset.

(b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is:

(i) a Permitted Disposal; or

(ii) a Permitted Transaction.

24.15 Insurance

(a) The Company shall (and shall ensure that each member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

(b) All such insurances and reinsurances must be with reputable independent insurance companies or underwriters.

24.16 Access

The Company shall (and shall ensure that each member of the Group will), subject to prior reasonable request and notice (but notice only where a Default is continuing), procure that the Agent, accountants or other professional advisers or contractors of the Agent be allowed reasonable rights of inspection and access during normal business hours to any premises or assets of any member of the Group, to the Auditors and other senior officers of any member of the Group and to the books, accounts and records, and any other documents relating to any member of the Group as they may reasonably require, and so as not unreasonably to interfere with their operations, and to take copies of any documents inspected.

24.17 Existing OpCo Facilities

(a) The Company shall ensure that, within one Business Day of the Initial Utilisation Date, the Existing OpCo Facilities have been fully repaid and/or prepaid and permanently cancelled and no amount in respect of any Existing OpCo Loan remains outstanding, save only that (i) an Existing OpCo Term Loan not exceeding HK$1,000,000 in principal amount may remain outstanding on and after such time but may not increase and (ii) commitments under the Existing OpCo RCF not exceeding HK$1,000,000 may remain in force on and after such time but may not increase.

(b) The Company shall ensure that neither Melco Resorts Macau nor any other Group Member submits any utilisation request to the Existing OpCo Facility Agent for a utilisation of any Existing OpCo Facility on or after the date of this Agreement, **provided** that Melco Resorts Macau may submit a utilisation request to the Existing OpCo Facility Agent from time to time for a new Existing OpCo RCF Loan so long as the aggregate principal amount outstanding under the Existing OpCo RCF Loans would not, as a result of such Existing OpCo RCF Loan being made, exceed HKD1,000,000.

(c) The Company shall ensure that no Group Member amends, varies, novates, supplements, supersedes or waives the Existing OpCo Facilities Agreement, any other finance document relating to the Existing OpCo Facilities or the terms and conditions of the Existing OpCo Facilities (or enters into any new finance document relating to an Existing OpCo Facility having a similar effect) in any respect (including, without limitation, to introduce any additional facilities or commitments or to make any representation, undertaking or event of default more onerous on the Group) other than (i) as contemplated by the conditions precedent set out in Schedule 2 (*Conditions precedent*), (ii) to extend the final maturity of one or more Existing OpCo Facilities, (iii) with the prior written consent of the Majority Lenders, or (iv) *provided* that the Company has given not less than 5 Business Days' prior written notice to the Agent of, and (if requested by a Finance Party) used its commercially reasonable endeavours to consult with that Finance Party during such period in connection with, the proposed amendment, variation, novation, supplement, waiver or superseding document, any amendment, variation, novation, supplement, waiver or superseding document that would not and would not reasonably be expected to be prejudicial to the interests of the Lenders (taken as a whole).

(d) The Company shall ensure that each Group Member complies with all terms and conditions of the Existing OpCo Facility Continuing Lender Waiver in all respects and does not take any action that would entitle the Existing OpCo Facility Continuing Lender to revoke the Existing OpCo Facility Continuing Lender Waiver in whole or in part after the expiry of any applicable remedy period.

24.18 Financial Indebtedness and guarantees

(a) The Company shall not (and shall ensure that no Group Member will) incur or allow to remain outstanding any Financial Indebtedness owed to any Sponsor Affiliate other than Sponsor Group Loans and Subordinated Debts or as otherwise permitted pursuant to paragraph (g) of the definition of "Permitted Group Financial Indebtedness".

(b) The Company shall not incur or allow to remain outstanding any Bond Guarantee given by it that is or purports to be subordinated to the Facility Liabilities unless (at the cost of the Company):

(i) the Company, Bondco and the notes trustee and any other applicable administrative parties in respect of the relevant Bondco Indebtedness have (A) entered into a subordination agreement with the Agent on substantially the same terms as the Subordination Deed (or otherwise in form and substance satisfactory to the Majority Lenders (acting reasonably)), which agreement has been designated as a Third Party Creditor Document and (B) provided to the Agent any other documentation and other evidence required by the Agent (acting reasonably) in connection therewith (in form and substance satisfactory to the Agent); and

(ii) the Agent has received:

(A) a certificate from the Company confirming that (to the satisfaction of the Majority Lenders, acting reasonably) Total Leverage for the Most Recent Relevant Period ending prior to the first incurrence of such Financial Indebtedness, in each case determined on a *pro forma* basis giving effect to the incurrence of such Bond Guarantee (when taken together with all other Bond Guarantees), would not exceed the applicable ratio set forth opposite the Test Date for that Most Recent Relevant Period in Clause 23 (*Financial covenants*), setting out (in reasonable detail) computations of such compliance and signed by an Authorised Representative;

(B) such customary legal opinions in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, acting reasonably) and any documents required in connection therewith; and

(C) (x) evidence in form and substance satisfactory to the Agent (acting reasonably) that any Authorisation required from a Governmental Authority (including of the government of Macau SAR) for the purposes of guaranteeing such other Financial Indebtedness has been obtained or (y) advice from Macanese counsel that no such Authorisations are required from any Governmental Authority.

(c) The Company shall ensure that each of its Subsidiaries that is a Group Member does not incur or allow to remain outstanding any Financial Indebtedness other than Permitted Group Financial Indebtedness or in circumstances constituting a Permitted Transaction.

(d) The Company shall ensure that each of its Subsidiaries that is a Group Member does not incur or allow to remain outstanding any guarantee in respect of any obligation of any person other than Permitted Group Guarantees or in circumstances constituting a Permitted Transaction.

25. Events of Default

Each of the events or circumstances set out in this Clause 25 (*Events of Default*) (excluding Clause 25.15 (*Acceleration*)) is an Event of Default.

25.1 Non-payment

The Company or a Subsidiary Guarantor does not pay on the due date any amount payable pursuant to a Finance Document to which it is a party at the place at and in the currency in which it is expressed to be payable unless:

(a) in the case of interest, payment is made within 10 days of its due date;

(b) in the case of costs, fees and expenses, payment is made within 5 days of its due date; or

(c) without prejudice to paragraphs (a) and (b) above, its failure to pay is caused by administrative or technical error or a Disruption Event and payment is made within three (3) Business Days of its due date.

25.2 Financial covenants and certain other obligations

Any requirement of Clause 23 (*Financial covenants*), Clause 24.17 (*Existing OpCo Loan*) or Clause 24.18 (*Financial Indebtedness and guarantees*) is not satisfied or the Company does not comply with the provisions of Clause 22.8 (*Notification of default*), **provided that** no Event of Default under this paragraph will occur in relation to any non-compliance with Clause 22.8 (*Notification of default*) if failure to comply is capable of remedy and is remedied within seven (7) days.

25.3 Other obligations

(a) The Company or a Subsidiary Guarantor does not comply with any provision of the Finance Documents (other than those referred to in Clause 25.1 (*Non-payment*) and Clause 25.2 (*Financial covenants and certain other obligations*) above).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within thirty (30) days of the Agent giving notice to the Company or the relevant Subsidiary Guarantor (as applicable) or the Company or the relevant Subsidiary Guarantor (as applicable) becoming aware of the failure to comply.

25.4 Misrepresentation

(a) Any representation or statement made or deemed to be made by the Company or a Subsidiary Guarantor in the Finance Documents to which it is a party or any other document delivered by or on behalf of the Company or a Subsidiary Guarantor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

(b) No Event of Default under paragraph (a) above will occur if the misrepresentation is capable of remedy and is remedied within thirty (30) days of the Agent giving notice to the Company or the relevant Subsidiary Guarantor (as applicable) or the Company or the relevant Subsidiary Guarantor (as applicable) becoming aware of the misrepresentation.

25.5 Cross default

(a) Any Financial Indebtedness of the Company or other member of the Group is not paid when due nor within any applicable grace period.

(b) Any Financial Indebtedness of the Company or other member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of the Company or other member of the Group is cancelled or suspended by a creditor of the Company or other member of the Group as a result of an event of default (however described).

(d) Any creditor of the Company or other member of the Group becomes entitled to declare any Financial Indebtedness of the Company or other member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) Any event of default (however described) occurs under or in respect of any Bondco Indebtedness.

(f) (i) Any event of default (however described) in respect of non-payment of amounts due and payable under or in respect of the Existing OpCo Facilities Agreement occurs **provided** that no Event of Default will occur under this paragraph (i) while the relevant event of default (however described) is subject to any waiver (including any conditional, temporary or revocable waiver) by the relevant finance parties under Existing OpCo Facilities Agreement at the time, (ii) any Financial Indebtedness of a Group Member under or in respect of the Existing OpCo Facilities Agreement is declared to be or otherwise becomes due and payable prior to its specified maturity (or, in the case where such date has passed and a relevant finance party under the Existing OpCo Facilities Agreement has waived final payment to a further specified date, prior to that further specified date) as a result of an event of default (however described) under the Existing OpCo Facilities Agreement (and after the expiry of any remedy periods therein), or (iii) any commitment for any Financial Indebtedness of a Group Member under or in respect of the Existing OpCo Facilities Agreement is cancelled or suspended by a relevant finance party under the Existing OpCo Facilities Agreement as a result of an event of default (however described) under the Existing OpCo Facilities Agreement (and after the expiry of any remedy periods therein).

(g) No Event of Default will occur under this Clause 25.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than USD50,000,000 (or its equivalent).

25.6 Insolvency

(a) The Company or other member of the Group is unable or admits inability to pay its debts as they fall due or is deemed or declared to be unable to pay its debts under applicable law or, by reason of actual or anticipated financial difficulties, suspends or threatens to suspend making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) The value of the assets of the Group (on a consolidated basis) is less than its liabilities (on a consolidated basis).

(c) A moratorium is declared in respect of any indebtedness of the Company or other member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

25.7 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or formal step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or other member of the Group;

(ii) a composition, compromise, assignment or arrangement with any creditor of the Company or other member of the Group;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or other member of the Group or any of its assets (other than assets that are in any way part of an Excluded Project and which do not form part of, and are not otherwise necessary for the operation of, any Project); or

(iv) enforcement of any Security over any assets of the Company or other member of the Group (other than assets that are in any way part of an Excluded Project and which do not form part of, and are not otherwise necessary for the operation of, any Project),

or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised.

25.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Company or other member of the Group (other than assets that are in any way part of an Excluded Project and which do not form part of, and are not otherwise necessary for the operation of, any Project) having an aggregate value of at least USD50,000,000 (or its equivalent) and is not discharged within (in the case of any process in a jurisdiction other than Macau SAR) thirty (30) days and (in the case of any process in Macau SAR) sixty (60) days.

25.9 Unlawfulness and invalidity

(a) It is or becomes unlawful for the Company or any other member of the Group or any Subordinated Creditor (or any other person other than a Finance Party or a Group Member) party to any other Third Party Creditor Document) to perform any of its obligations under the Finance Documents or any subordination created under any Third Party Creditor Document is or becomes unlawful.

(b) Any obligation or obligations of the Company, any other member of the Group or any Subordinated Creditor (or any other person other than a Finance Party or a Group Member) party to any other Third Party Creditor Document) under any of the Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable.

(c) Any Finance Document ceases to be in full force and effect or any subordination created or expressed to be created under any Third Party Creditor Document (including the subordination of any Sponsor Group Loans and other Subordinated Debt is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

25.10 Third Party Creditor Documents

(a) Any party to a Third Party Creditor Document (other than a Finance Party or an Obligor) fails to comply with the provisions of, or does not perform its obligations under, that Third Party Creditor Deed; or

(b) a representation or warranty given by that party in that Third Party Creditor Deed is incorrect in any respect and such misrepresentation is materially adverse to the interest of the Lenders (taken as a whole),

and, if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within sixty (60) days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

25.11 Repudiation and rescission of agreements

(a) The Company, any Subsidiary Guarantor or any other member of the Group (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

(b) Any party to any of the other Transaction Documents rescinds or purports to rescind or repudiates or purports to repudiate any of those Transaction Documents in whole or in part where (other than in the case of the Subconcession or any Land Concession) to do so has or would, in the reasonable opinion of the Majority Lenders, have a Material Adverse Effect.

25.12 Expropriation

The authority or ability of the Company or any other member of the Group to conduct its business, pursue any Project or enjoy the use of all or any material part of its assets (in each case, other than in respect of any business solely related to an Excluded Project or the Mocha Business or assets that relate to or are in any way part of an Excluded Project or the Mocha Business and which do not form part of, and are not otherwise necessary for the operation of, any Project) is wholly or substantially limited or curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action (including as a result of any change in (or in the interpretation, administration or application of), or the introduction of, any Legal Requirement) by or on behalf of any Governmental Authority or other person in relation to any member of the Group or any of its assets.

25.13 Permits

Any Permit (other than any Land Concession or Subconcession) required or necessary for the ownership, operation of any Project, or any provision thereof is suspended, revoked, cancelled, terminated or materially and adversely modified or fails to be in full force and effect or any Governmental Authority challenges or seeks to revoke any such Permit if such failure to perform, violation, breach, suspension, revocation, cancellation, termination or modification has or would reasonably be expected to have a Material Adverse Effect.

25.14 Judgment

The Company or any other member of the Group fails to pay any final non-appealable judgments or orders (not paid or covered by insurance as to which the relevant insurance company has not denied responsibility) rendered against it which (i) in aggregate liability across the Group exceed US$50,000,000 (or its equivalent in any other currency or currencies) and (ii) are not paid, bonded, discharged or stayed within 60 days of the making of such final non-appealable judgments or orders.

25.15 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

(a) cancel the Total Commitments and Incremental Facility Commitments, whereupon they shall immediately be cancelled;

(b) declare that all or part of the Initial Facility Loans and Incremental Facility Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(c) declare that all or part of the Initial Facility Loans and Incremental Facility Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

Section 9
Changes to Parties

26. Changes to the Lenders

26.1 Assignments and transfers by the Lenders

Subject to this Clause 26, a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (in each case, the "**New Lender**").

26.2 Conditions of assignment or transfer

(a) Any assignment or transfer by an Existing Lender of all or any part of its Commitment must, if the assignment or transfer is only of part, be in a minimum aggregate amount of HKD40,000,000 (or its equivalent) or, if less, the entire amount of the Existing Lender's Commitment in the relevant Facility.

(b) Any assignment or transfer in accordance with Clause 26.1 (*Assignments and transfers by the Lenders*) or Voting Participation entered into in respect of any Commitment or amount outstanding under this Agreement shall not be made or entered into without the prior written consent of the Company (such consent not to be unreasonably delayed or withheld), unless:

(i) the assignment or transfer is to, or the Voting Participation is with, another Lender or an Affiliate of a Lender;

(ii) if the Existing Lender is a fund, the assignment or transfer is to, or the Voting Participation is with, a fund which is a Related Fund of that Existing Lender;

(iii) an Event of Default has occurred and is continuing; or

(iv) (x) any event or circumstance referred to in paragraphs (d), (e) or (f) of the definition of "Change of Control" as set out in Clause 10.1 (*Definitions*) of this Agreement has occurred or (y) and Concession Expiry or Land Concession termination has occurred,

and provided that the Company shall be deemed to have provided its written consent if it has not responded to the relevant Existing Lender's request for such assignment, transfer or sub-participation within ten (10) Business Days of such request having been made.

(c) An assignment will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and

(ii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) A transfer will only be effective if the procedure set out in Clause 26.5 (*Procedure for transfer*) is complied with.

(e) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Company would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 16 (*Tax gross-up and indemnities*) or Clause 17 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

26.3 Assignment or transfer fee

Unless the Agent otherwise agrees and excluding an assignment or transfer (i) to an Affiliate of a Lender, (ii) to a Related Fund or (iii) made in connection with primary syndication of the Facilities, the New Lender shall, on the date upon which an assignment, transfer or accession takes effect, pay to the Agent (for its own account) a fee of HKD27,500 in respect of any New Lender.

26.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents or any other documents;

(ii) the financial condition or other circumstances of the Company, each Subsidiary Guarantor or any other person;

(iii) the performance and observance by the Company, any Subsidiary Guarantor or any other person of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial and other condition, circumstances and affairs of the Company, each Subsidiary Guarantor and each of their related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of the Company, each Subsidiary Guarantor and each of their related entities and each other person whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 26; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Company, any Subsidiary Guarantor or any Subordinated Creditor of its obligations under the Transaction Documents or otherwise.

26.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (d) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar other checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Each Party (other than the relevant Existing Lender and the Agent) irrevocably authorises the Agent to execute any Transfer Certificate on its behalf. For the avoidance of doubt, nothing in this paragraph (c) constitutes a consent by the Company for the purposes of Clause 26.2 (*Conditions of assignment or transfer*).

(d) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents, the Company and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) the Company and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Company or other member of the Group and the New Lender have assumed and/or acquired the same in place of the Company and the Existing Lender;

(iii) the Agent, each Arranger, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, each Arranger and the Existing Lender and the other Lenders shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender" and entitled to the benefits of any other Finance Document entered into by the Agent as agent for the Lenders.

26.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (d) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (e) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender upon its completion of all "know your customer" or other checks relating to any person that it is required to carry out in relation to the assignment to such New Lender.

(c) Each Party (other than the relevant Existing Lender and the Agent) irrevocably authorises the Agent to execute any Assignment Agreement on its behalf. For the avoidance of doubt, nothing in this paragraph (c) constitutes a consent by the Company for the purposes of Clause 26.2 (*Conditions of assignment or transfer*).

(d) On the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement; and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(e) Lenders may utilise procedures other than those set out in this Clause 26.6 to assign their rights under the Finance Documents **provided that** they comply with the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*).

(f) The procedure set out in this Clause 26.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.

26.7 Copy of Transfer Certificate or Assignment Agreement to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Company a copy of that Transfer Certificate or Assignment Agreement.

26.8 Security interests over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26, each Lender may without consulting with or obtaining consent from the Company or any Subsidiary Guarantor, at any time create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by the Company or a Subsidiary Guarantor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26.9 Existing consents and waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the relevant Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender. Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

26.10 Exclusion of Agent's liability

In relation to any assignment or transfer pursuant to this Clause 26, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.

27. Debt Purchase Transactions

27.1 Permitted Debt Purchase Transactions

(a) The Company shall not (and shall procure that no other member of the will) (i) enter into any Debt Purchase Transaction other than in accordance with the other provisions of this Clause 27 or (ii) itself be (or beneficially own all or any majority of the share capital of a company that is) a Lender or a party to a Participation.

(b) The Company may purchase by way of assignment or transfer, pursuant to Clause 26 (*Changes to the Lenders*), a participation in any Incremental Term Facility Loan made to it (and any related Commitment) where:

(i) such purchase is made for a consideration of less than par;

(ii) such purchase is made using one of the processes set out at paragraphs (c) and (d) below;

(iii) such purchase is made at a time when no Default is continuing; and

(iv) the consideration for such purchase is funded from New Shareholder Injections.

(c) (i) A Debt Purchase Transaction referred to in paragraph (b) above may be entered into pursuant to a solicitation process (a "**Solicitation Process**") which is carried out as follows.

(ii) Prior to 11:00 a.m. on a given Business Day (the "**Solicitation Day**") the Company or a financial institution acting on its behalf (the "**Purchase Agent**") will approach at the same time each Lender which participates in the relevant Incremental Term Loan Facility to enable them to offer to sell to the Company an amount of their participation in the relevant Incremental Term Loan Facility. Any Lender wishing to make such an offer shall, by 11:00 a.m. on the fifth Business Day following such Solicitation Day, communicate to the Purchase Agent details of the amount of its participations in the relevant Incremental Term Loan Facility it is offering to sell and the price at which it is offering to sell such participations. Any such offer shall be irrevocable until 11:00 a.m. on the sixth Business Day following such Solicitation Day and shall be capable of acceptance by the Company on or before such time by communicating its acceptance in writing to the Purchase Agent or, if it is the Purchase Agent, the relevant Lenders. The Purchase Agent (if someone other than the Company) will communicate to the relevant Lenders which offers have been accepted by 12:00 noon on the sixth Business Day following such Solicitation Day. In any event by 5:00 p.m. on the seventh Business Day following such Solicitation Day, the Company shall notify the Agent of the amounts of the participations purchased through the relevant Solicitation Process and the average price paid for the purchase of participations in the relevant Incremental Term Loan Facility. The Agent shall promptly disclose such information to the Lenders.

(iii) Any purchase of participations in an Incremental Term Loan Facility pursuant to a Solicitation Process shall be completed and settled on or before the eighth Business Day after the relevant Solicitation Day.

(iv) In accepting any offers made pursuant to a Solicitation Process the Company shall be free to select which offers and in which amounts it accepts but on the basis that in relation to a participation in a particular Incremental Term Loan Facility it accepts offers in inverse order of the price offered (with the offer or offers at the lowest price being accepted first) and that if in respect of participations in a particular Incremental Term Loan Facility it receives two or more offers at the same price it shall only accept such offers on a pro rata basis.

(d) (i) A Debt Purchase Transaction referred to in paragraph (b) above may also be entered into pursuant to an open order process (an "**Open Order Process**") which is carried out as follows.

(ii) The Company may by itself or through another Purchase Agent place an open order (an "**Open Order**") to purchase participations in an Incremental Term Loan Facility up to a set aggregate amount at a set price by notifying at the same time all the Lenders participating in the relevant Incremental Term Loan Facility of the same. Any Lender wishing to sell pursuant to an Open Order will, by 11:00 a.m. on any Business Day following the date on which the Open Order is placed but no earlier than the first Business Day, and no later than the fifth Business Day, following the date on which the Open Order is placed, communicate to the Purchase Agent details of the amount of its participations in the relevant Incremental Term Loan Facility it is offering to sell. Any such offer to sell shall be irrevocable until 11:00 a.m. on the Business Day following the date of such offer from the Lender and shall be capable of acceptance by the Company on or before such time by it communicating such acceptance in writing to the relevant Lender.

(iii) Any purchase of participations in an Incremental Term Loan Facility pursuant to an Open Order Process shall be completed and settled by the Company on or before the fourth Business Day after the date of the relevant offer by a Lender to sell under the relevant Open Order.

(iv) If in respect of participations in an Incremental Term Loan Facility the Purchase Agent receives on the same Business Day two or more offers at the set price such that the maximum amount of such Incremental Term Loan Facility to which an Open Order relates would be exceeded, the Company shall only accept such offers on a pro rata basis.

(v) The Company shall, by 5.00 pm on the sixth Business Day following the date on which an Open Order is placed, notify the Agent of the amounts of the participations purchased through such Open Order Process and the identity of the Incremental Term Loan Facility to which they relate. The Agent shall promptly disclose such information to the Lenders.

(e) For the avoidance of doubt, there is no limit on the number of occasions a Solicitation Process or an Open Order Process may be implemented.

(f) In relation to any Debt Purchase Transaction entered into pursuant to this Clause 27.1, notwithstanding any other term of this Agreement or the other Finance Documents:

(i) on completion of the relevant assignment or transfer (constituting such Debt Purchase Transaction) pursuant to Clause 26 (*Changes to the Lenders*), the portions of the Loan(s) to which it relates shall be extinguished and (in the case of any Incremental Term Facility Loan with remaining repayment instalments) such remaining repayment instalments in respect of that Incremental Term Facility Loan will be reduced *pro rata* accordingly;

(ii) such Debt Purchase Transaction and the related extinguishment referred to in paragraph (i) above shall not constitute a prepayment of any of the Facilities;

(iii) the Company shall be deemed to be an entity which fulfils the requirements of Clause 26.1 (*Assignments and transfers by the Lenders*) to be a New Lender (as defined in such Clause);

(iv) none of the Company, any Subsidiary Guarantor or any other member of the Group shall be deemed to be in breach of any provision of Clause 24 (*General undertakings*) or any other provision of any Finance Document solely by reason of such Debt Purchase Transaction;

(v) Clause 31 (*Sharing among the Finance Parties*) shall not be applicable to the consideration paid under such Debt Purchase Transaction; and

(vi) for the avoidance of doubt, any extinguishment of any part of any Loan shall not affect any amendment or waiver which prior to such extinguishment had been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents.

27.2 Disenfranchisement of Sponsor Affiliates

(a) For so long as a Sponsor Affiliate (A) beneficially owns a Commitment or (B) has entered into any Participation relating to a Commitment and such Participation has not been terminated:

(i) in ascertaining the Majority Lenders, the Majority Facility Lenders or whether the agreement of Lender(s) holding any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or the Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, such Commitment shall be deemed to be zero; and

(ii) for the purposes of Clause 38.2 (*Exceptions*), such Sponsor Affiliate or the person with whom it has entered into such Participation shall be deemed not to be a Lender (unless, in the case of a person not being a Sponsor Affiliate, it is a Lender by virtue otherwise than by beneficially owning such Commitment to which (A) or (B) relates).

(b) Each Lender shall, promptly notify the Agent in writing if it knowingly enters into a Participation with a Sponsor Affiliate (a "**Notifiable Debt Purchase Transaction**"), such notification to be substantially in the form set out in Part 1 (*Form of Notice of Notifiable Debt Purchase Transaction*) of Schedule 9 (*Forms of Notifiable Debt Purchase Transaction Notice*).

(c) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:

(i) is terminated; or

(ii) ceases to be with a Sponsor Affiliate,

such notification to be substantially in the form set out in Part 2 (*Form of Notice of Termination of Notifiable Debt Purchase Transaction*) of Schedule 9 (*Forms of Notifiable Debt Purchase Transaction Notice*).

(d) Each Sponsor Affiliate that is a Lender agrees that:

(i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not receive notice of such meeting or conference call or attend or participate in the same or be entitled to receive the agenda or any minutes of the same; and

(ii) in its capacity as Lender, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Lenders,

in each case, unless the Agent otherwise agrees or where all of such Sponsor Affiliate's Commitments are not deemed to be zero pursuant to paragraph (a)(i) above.

27.3 Sponsor Affiliates' notification to other Lenders of Debt Purchase Transactions

Any Sponsor Affiliate which is or becomes a Lender and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into that Debt Purchase Transaction, notify the Agent of the extent of the Commitment(s) or amount outstanding to which that Debt Purchase Transaction relates. The Agent shall promptly disclose such information to the Lenders.

28. Changes to the Company

28.1 Assignment and transfers by the Company

The Company may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

Section 10
The Finance Parties

29. Role of the Agent, the Arrangers and others

29.1 Appointment of the Agent

(a) Each of the Arrangers and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arrangers and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

29.2 Duties of the Agent

(a) The Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(b) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(c) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(d) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arrangers) under this Agreement it shall promptly notify the other Finance Parties.

(e) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature. The Agent shall have no duties save as expressly provided under or in connection with any Finance Document.

29.3 Role of the Arrangers

(a) Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

(b) References to the Arrangers in this Clause 29 include Morgan Stanley Senior Funding, Inc., Bank of China Limited, Macau Branch and Bank of Communications Co., Ltd. Macau Branch in their capacities as Coordinators.

29.4 No fiduciary duties

(a) Nothing in this Agreement constitutes the Agent or any Arranger as a trustee or fiduciary of any other person.

(b) None of the Agent or the Arrangers shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

29.5 Business with the Group

The Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

29.6 Rights and discretions

(a) The Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document; and

(ii) any statement made or purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 25.1 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and

(iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of each other member of the Group.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Without prejudice to the generality of paragraph (e) above, the Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.

(g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent or the Arrangers is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

29.7 Majority Lenders' instructions

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders. Without prejudice to any other provision hereof, it may also exercise on behalf of the Finance Parties any right, power, authority or discretion in respect of such matters as it determines to be of a minor technical or administrative or of a non-credit related nature without any instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders, the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

29.8 Responsibility for documentation

None of the Agent or the Arrangers:

(a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, any Arranger, the Company, a Subsidiary Guarantor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents;

(b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or

(c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

29.9 Exclusion of liability

(a) Without limiting paragraph (b) below, the Agent will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement or any other Finance Document shall oblige the Agent or any Arranger to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

29.10 Lenders' indemnity to the Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero), indemnify the Agent, within three (3) Business Days of demand (accompanied by reasonable written certification), against any cost, loss or liability incurred by the Agent (other than by reason of the fraud, negligence or wilful misconduct of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by, or indemnified to its satisfaction by, the Company or any of its Affiliates pursuant to a Finance Document or otherwise in writing).

(b) This Clause 29.10 shall not apply to the extent that the Agent is otherwise actually indemnified or reimbursed by any Party under any other provision of the Finance Documents.

(c) **Provided that** if the Company or any of its Affiliates is required to reimburse or indemnify any Finance Party for such cost, loss or liability in accordance with the terms of the Finance Documents, the Company shall, within ten (10) Business Days of demand in writing by the relevant Finance Party, indemnify such Finance Party in relation to any payment actually made by such Finance Party pursuant to paragraph (a) of Clause 29.10 above.

29.11 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates acting through an office in Hong Kong as successor by giving notice to the Lenders and the Company.

(b) Alternatively the Agent may resign by giving notice to the Lenders and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within thirty (30) days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in Hong Kong).

(d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) The Agent shall (at the cost of the Company or (as the case may be) such Lender requiring the Agent to resign pursuant to this paragraph (g)) resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (b) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 16.8 (*FATCA Information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 16.8 (FATCA Information) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

29.12 Replacement of the Agent

(a) After consultation with the Company, the Majority Lenders may, by giving thirty (30) days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in Hong Kong).

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

29.13 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent and the Arrangers are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

(d) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Company or any Affiliates of the Company on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.

29.14 Relationship with the Lenders

The Agent may treat each Lender as a Lender, entitled to payments under the Finance Documents and acting through its Facility Office unless it has received not less than five (5) Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

29.15 Credit appraisal by the Lenders

Without affecting the responsibility of the Company or any of its Affiliates for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness any information provided by the Agent to any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

29.16 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

29.17 Agent's management time

Any amount payable to the Agent under Clause 18.3 (*Indemnity to the Agent*), Clause 20 (*Costs and expenses*) and Clause 29.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 15 (*Fees*).

29.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

29.19 Reliance and engagement letters

Each Finance Party confirms that each of the Arrangers and the Agent has authority to accept on its behalf and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arrangers or Agent, the terms of any reliance letter or engagement letters relating to any reports or letters provided by any advisers in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

30. Conduct of business by the Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim;

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax; or

(d) oblige any Finance Party to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any applicable anti-money laundering, economic or trade sanctions laws or regulations.

31. Sharing among the Finance Parties

31.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from the Company or any Subsidiary Guarantor other than in accordance with Clause 32 (*Payment mechanics*) or any corresponding provision of a Finance Document in respect of which that amount relates (in each case, a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 32 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 32.6 (*Partial payments*).

31.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the Company or the relevant Subsidiary Guarantor (as applicable) and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 32.6 (*Partial payments*) towards the obligations of the Company or the relevant Subsidiary Guarantor (as applicable) to the Sharing Finance Parties.

31.3 Recovering Finance Party's rights

(a) On a distribution by the Agent under Clause 31.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from the Company or a Subsidiary Guarantor, as between the Company or the relevant Subsidiary Guarantor (as applicable) and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by the Company or the relevant Subsidiary Guarantor (as applicable).

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the Company or the relevant Subsidiary Guarantor (as applicable) shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

31.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(b) as between the Company or the relevant Subsidiary Guarantor (as applicable) and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by the Company or the relevant Subsidiary Guarantor (as applicable).

31.5 Exceptions

(a) This Clause 31 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 31, have a valid and enforceable claim against the Company or the relevant Subsidiary Guarantor (as applicable).

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Finance Party of the legal or arbitration proceedings; and

(ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

32. Payment mechanics

32.1 Payments to the Agent

(a) On each date (or such other date) on which the Company or a Lender is required to make a payment under a Finance Document the Company or Lender (as applicable) shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date or such other date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

32.2 Distributions by the Agent

(a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 32.3 (*Distributions to the Company*) and Clause 32.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency.

(b) The Agent shall distribute payments received by it in relation to all or any part of a Loan to the Lender indicated in the records of the Agent as being so entitled on that date provided that the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 26 (*Changes to the Lenders*) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

32.3 Distributions to the Company

The Agent may (with the consent of the Company or in accordance with Clause 33 (*Set-Off*)) apply any amount received by it for the Company in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Company under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

32.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of the Company before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Company:

(i) the Agent shall notify the Company of that Lender's identity and the Company shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Company shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

32.5 Impaired Agent

(a) If, at any time, the Agent becomes an Impaired Agent, any other Party which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 32.1 (*Payments to the Agent*) may instead either:

(i) pay that amount direct to the required recipient(s); or

(ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Party making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**").

In each case such payments must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 32.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 29.12 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 32.2 (*Distributions by the Agent*).

(e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:

(i) that it has not given an instruction pursuant to paragraph (d) above; and

(ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

32.6 Partial payments

(a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by the Company under those Finance Documents, the Agent shall apply that payment towards the obligations of the Company under those Finance Documents in the following order:

(i) *firstly*, in or towards payment *pro rata* of any unpaid fees, costs and expenses or other amounts of the Agent and the Arrangers under those Finance Documents;

(ii) *secondly*, in payment *pro rata* of all amounts paid by any Finance Party under Clause 29.10 (*Lenders' indemnity to the Agent*) but which have not been reimbursed by the Company;

(iii) *thirdly*, in or towards payment of any accrued interest, costs, fees and expenses due and payable to the Lenders under the Finance Documents; and

(iv) *fourthly*, payment *pro rata* of any principal due and payable under the Facilities to the extent due and payable to the Lenders:

(v) *fifthly*, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Lenders, vary the order set out in paragraphs (a)(ii) to (v) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by the Company.

32.7 No set-off by the Company

All payments to be made by the Company under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

32.8 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

32.9 Currency of account

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from the Company under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

32.10 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

32.11 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 38 (*Amendments and waivers*);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 32.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

33. Set-off

A Finance Party may set off any matured obligation due from the Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

34. Notices

34.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

34.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Company, that identified with its name in the signing pages below;

(b) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent, that identified with its name in the signing pages below,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than ten (10) Business Days' notice.

34.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 34.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to the Company shall be sent through the Agent.

(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

34.4 Notification of address and fax number

Promptly upon changing its own address or fax number, the Agent shall notify the other Parties.

34.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

34.6 Electronic communication

(a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five (5) Business Days' notice.

(b) Any such electronic communication as specified in paragraph (a) above to be made between the Company and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

(c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

(d) Notwithstanding the foregoing, each Party hereto agrees that the Agent may make information, documents and other materials that the Company is obligated to furnish to the Agent pursuant to the Finance Documents (together, "**Communications**") available to any Finance Party by posting the Communications on IntraLinks or another relevant website, if any, to which such Finance Party has access (whether a commercial, third-party website or whether sponsored by the Agent) (the "**Platform**"). Nothing in this Clause 34.6 shall prejudice the right of the Agent to make the Communications available to any Finance Party in any other manner specified in this Agreement or any other Finance Documents.

(e) Each Finance Party agrees that e-mail notice to it (at the address provided pursuant to the next sentence and deemed delivered as provided in the next paragraph) specifying that Communications have been posted to the Platform shall constitute effective delivery of such Communications to such Finance Party for purposes of this Agreement and the other Finance Documents. Each Finance Party agrees:

(i) to notify the Agent in writing (including by electronic communication) from time to time to ensure that the Agent has on record an effective e-mail address for such Finance Party to which the foregoing notice may be sent by electronic transmission; and

(ii) that the foregoing notice may be sent to such e-mail address.

(f) Notwithstanding paragraph (g) below, each Party hereto agrees that any electronic communication referred to in this Clause 34.6 shall be deemed delivered upon the posting of a record of such communication (properly addressed to such party at the e-mail address provided to the Agent) as "sent" in the e-mail system of the sending party or, in the case of any such communication to the Agent, upon the posting of a record of such communication as "received" in the e-mail system of the Agent; **provided that** if such communication is not so received by the Agent during the normal business hours of the Agent, such communication shall be deemed delivered at the opening of business on the next Business Day for the Agent.

(g) Each Party hereto acknowledges that:

(i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentially and other risks associated with such distribution;

(ii) the Communications and the Platform are provided "as is" and "as available";

(iii) none of the Agent, its affiliates nor any of their respective officers, directors, employees, agents, advisors or representatives (collectively, the "**Agency Parties**") warrants the adequacy, accuracy or completeness of the Communications or the Platform, and each Agency Party expressly disclaims liability for errors or omissions in any Communications or the Platform; and

(iv) no representation or warranty of any kind, express, implied or statutory, including any representation or warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agency Party in connection with any Communications or the Platform.

(h) The Company hereby acknowledges that certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to Melco, any of its Subsidiaries or their respective securities) (each, a "**Public Lender**"). The Company hereby agrees that:

(i) Communications that are to be made available on the Platform to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof;

(ii) by marking Communications "PUBLIC", the Company shall be deemed to have authorized the Agent and the Lenders to treat such Communications as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to Melco, any of its Subsidiaries or their respective securities for purposes of US federal and state securities laws;

(iii) all Communications marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Lender"; and

(iv) the Agent shall be entitled to treat any Communications that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Lender".

(i) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 34.6.

34.7 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

35. Calculations and certificates

35.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

35.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

35.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (where due in an Optional Currency other than GBP) and 365 days (where due in the Base Currency or GBP).

36. Partial invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

37. Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

38. Amendments and waivers

38.1 Required consents

(a) Subject to Clause 38.2 (*Exceptions*), Clause 38.3 (*Extension of Commitments*), Clause 38.6 (*Replacement of Screen Rate*) and paragraph (b) below, any term of the Finance Documents (other than the Fee Letters, which may be amended or waived only in accordance with their respective terms) may and may only be amended or waived with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties. The Company shall endeavour to notify each Subsidiary Guarantor of each amendment and waiver and the Agent is authorised to do the same.

(b) The Agent may effect, on behalf of any Finance Party:

(i) any amendment or waiver or enter into any document or do any other act or thing permitted by this Clause 38; and

(ii) pursuant to paragraph (a) of Clause 29.7 (*Majority Lenders' instructions*), any amendment or waiver of, or in respect of, such matters as it determines to be of a minor technical or administrative matters or of a non-credit related nature.

(c) Without prejudice to the generality of paragraph (c) of Clause 29.6 (*Rights and discretion*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any request for a consent, waiver, release, amendment or other vote under the Finance Documents.

38.2 Exceptions

(a) Subject to Clause 38.3 (*Extension of Commitments*) and Clause 38.6 (*Replacement of Screen Rate*), an amendment, waiver or other exercise of any right, power or discretion that has the effect of changing or which relates to:

(i) the definition of "**Majority Facility Lenders**" or "**Majority Lenders**" in Clause 1.1 (*Definitions*) or the definition of "**Change of Control**", "**Concession Expiry**" or "**Land Concession Termination**" in Clause 10 (*Mandatory Prepayment*);

(ii) an extension to the date of payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) a change in currency of payment of any amount under the Finance Documents (or redenomination of a Commitment into another currency);

(v) an increase in any Commitment or the Total Commitments (other than pursuant to Clause 7 (*Incremental Facilities*));

(vi) an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;

(vii) a change to the Company or the borrower of any of the Facilities;

(viii) any provision which expressly requires the consent of all the Lenders;

(ix) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 5.1 (*Delivery of a Utilisation Request*), Clause 9.1 (*Illegality*), Clause 10 (*Mandatory Prepayment*), Clause 26 (*Changes to the Lenders*), Clause 28 (*Changes to the Company*), Clause 31 (*Sharing among the Finance Parties*), this Clause 38, Clause 46 (*Governing law*) or Clause 47.1 (*Jurisdiction of English courts*);

(x) the nature or scope of the guarantee and indemnity granted pursuant to any Subsidiary Guarantee or any release of any Subsidiary Guarantee;

(xi) any amendment to the order of priority or subordination under the Subordination Deed; or

(xii) any amendment to the provisions of Clause 7 (*Incremental Facilities*), or any amendment or waiver of a term of any Incremental Facility which would (had such relevant term after giving effect to such amendment or waiver constituted a term of such Incremental Facility at the time it was made available pursuant to Clause 7 (*Incremental Facilities*)) be a breach of Clause 7 (*Incremental Facilities*),

shall not be made without the prior consent of all the Lenders.

38.3 Extension of Commitments

(a) Subject to paragraph (d) below, the Company and any Lender may agree that:

(i) in relation to that Lender's Commitments in a Facility, the Availability Period and Termination Date applicable to such Commitments be extended; and

(ii) if any extension as referred to in paragraph (i) above applies, the Margin applicable to the relevant participation and Commitment should be adjusted.

(b) Following any agreement as referred to in paragraph (a) above, the Company and the relevant Lender(s) may notify the Agent, giving details of the applicable agreement (the "**Extension Agreement**"). Promptly following its receipt of such notice, the Agent shall (at the cost of the Company) agree with the Company on behalf of the Finance Parties such amendments to the Finance Documents as may be necessary or appropriate to give effect to the Extension Agreement (which, for the avoidance of doubt, may include re-designating the affected Commitments and participations as commitments and loans made under a separate facility).

(c) The Agent shall promptly provide to each of the Finance Parties copies of any amendment agreement entered into pursuant to paragraph (b) above.

(d) The Agent will only be authorise to enter into an amendment agreement under paragraph (b) above in respect of Commitments and participations relating to a Facility if, prior to entering into such amendment agreement it is satisfied (acting reasonably) that:

(i) each Lender in the relevant Facility has been offered the opportunity to participate in such extension in an amount up to that Lender's Pro Rata Share; and

(ii) each Lender in the relevant Facility has been given a period of at least ten (10) Business Days following receipt of the proposed terms of the extension referred to in paragraph (a) above to determine (A) whether or not to participate and (B) if it wishes to participate, the amount of its relevant Commitment (up to its Pro Rata Share) that it is willing to extend on the proposed terms.

For the purposes of this paragraph (d), "**Pro Rata Share**" means, in relation to a Lender with Commitments in a Facility which is proposed to be extended (in whole or in part), the percentage of the aggregate amount of the relevant extended loans that such Lender's Commitment in that Facility bears to the aggregate Commitments of all Lenders in that Facility.

38.4 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent, the Arrangers or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Agent, the Arrangers or that Reference Bank, as the case may be.

38.5 Excluded Commitments

If any Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any of the terms of any Finance Document or any other vote of Lenders under the terms of this Agreement within ten (10) Business Days (or, in the case of a consent, waiver or amendment referred to or falling within the scope of Clause 38.2 (*Exceptions*) or otherwise requiring the consent of all Lenders, fifteen (15) Business Days) (in each case, unless the Company agrees to a longer time period in relation to any request) of that request being made:

(a) its Commitment and/or participation shall not be included for the purpose of calculating the aggregate Total Commitments and Incremental Facility Commitments or participations under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and Incremental Facility Commitments and/or participations has been obtained to approve that request **provided that** the Company has noted in its request for a consent, waiver, amendment or vote that such action is subject to the provisions of this Clause 38.5 and sets out the date that is ten (10) Business Days after the date of such request; and

(b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

38.6 Replacement of Screen Rate

(a) Subject to Clause 38.4 (*Other exceptions*), any amendment or waiver which relates to:

(i) providing for the use of a Replacement Benchmark; and

(ii) (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;

(B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Benchmark;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Company.

(b) In this Clause 38.6:

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"**Replacement Benchmark**" means a benchmark rate which is:

(a) formally designated, nominated or recommended as the replacement for a Screen Rate by:

(i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Majority Lenders and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or

(c) in the opinion of the Majority Lenders and the Company, an appropriate successor to a Screen Rate.

38.7 Replacement of Lender

(a) If at any time:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below); or

(ii) the Company becomes obliged to repay any amount in accordance with Clause 9.1 (*Illegality*) or to pay additional amounts pursuant to Clause 17.1 (*Increased costs*), Clause 16.2 (*Tax gross-up*) or Clause 16.3 (*Tax indemnity*) to any Lender,

then the Company may (provided that no Default is continuing), on five (5) Business Day's prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (a "**Replacement Lender**") selected by the Company, which is acceptable to the Agent (acting reasonably), and which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 26 (*Changes to the Lenders*) (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 38.7 shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;

(ii) neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender, such replacement must take place no later than ten (10) Business Days after the effective date of the Company's notice referred to in paragraph (a) above;

(iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and

(v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws, regulations and internal policies in relation to that transfer and provided that such transfer would not give rise to a breach of any applicable law or regulation.

(c) A Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

(d) In the event that:

(i) the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or agree to a waiver or amendment of, any provisions of the Finance Documents;

(ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and

(iii) the Majority Lenders have consented or agreed to such consent, waiver or amendment,

then any Lender who does not and continues not to agree to such consent, waiver or amendment shall be deemed a "**Non-Consenting Lender**".

38.8 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders, the Majority Facility Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of any Total Incremental Facility Commitments (in respect of an Incremental Facility), Total Commitments or Total Initial Facility Commitments or the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments and, to the extent that that reduction results in that Defaulting Lender's Incremental Facility Commitments (in respect of an Incremental Facility), Total Commitments or Total Initial Facility Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for such purposes.

(b) For the purposes of this Clause 38.8, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

38.9 Replacement of a Defaulting Lender

(a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five (5) Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;

(ii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders*) all (and not part only) of the undrawn Initial Facility Commitment and any Incremental Facility Commitment of the Lender; or

(iii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Initial Facility and any Incremental Facility,

to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender in accordance with Clause 26 (*Changes to the Lenders*) (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;

(iii) the transfer must take place no later than ten (10) days after the notice referred to in paragraph (a) above;

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and

(v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

(c) The Defaulting Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

39. Disclosure of information

39.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 39.2 (*Disclosure of information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

39.2 Disclosure of information

(a) Any Finance Party may disclose to any of its Affiliates, related corporations, head office, branch and representative offices (each a "**Finance Party Related Party**"), the Company, any Subsidiary Guarantor, any other member of the Group (or any other person permitted by the Company), any other Finance Party, any of its, any other Finance Party's or any of its Finance Party Related Party's officers, directors, employees, any of its or its Finance Party Related Party's professional advisers, auditors, partners and other persons providing services to it or any of its Finance Party Related Parties (provided such person is under a duty of confidentiality (contractual or otherwise) to the Finance Party disclosing the information or its Finance Party Related Party) such Confidential Information as that Finance Party shall consider appropriate.

(b) Any Finance Party may disclose to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's Affiliates, related corporations, head office, branch and representative office, officers, directors, employees and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Company and to any of that person's Affiliates, related corporations, head office, branch and representative office, officers, directors, employees and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 26.8 (*Security interests over Lenders' rights*);

(viii) who is a Party; or

(ix) with the consent of the Company,

in each case, such Confidential Information as that Finance Party shall consider appropriate.

(c) Any Finance Party may disclose to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c), provided that the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party.

(d) Any Finance Party may disclose to the International Swaps and Derivatives Association, Inc. ("**ISDA**") or any Credit Derivatives Determination Committee or sub-committee of ISDA such Confidential Information as that Finance Party shall consider appropriate where such disclosure is required by them in order to determine whether the obligations under the Finance Documents will be, or in order for the obligations under the Finance Documents to become, deliverable under a credit derivative transaction or other credit linked transaction which incorporates the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement or other provisions substantially equivalent thereto.

(e) Any Finance Party may disclose to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Company, the Subsidiary Guarantor and/or any other member of the Group, provided that the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

(f) Any Confidentiality Undertaking signed by a Finance Party pursuant to this Clause 39.1 shall supersede any prior confidentiality undertaking signed by such Finance Party for the benefit of any member of the Group.

(g) Nothing in this Clause 39.1 shall prohibit the disclosure of any information which is publicly available other than as a result of a breach by a Finance Party of this Clause 39.1.

(h) Notwithstanding any of the provisions of the Finance Documents, the Company and the Finance Parties hereby agree that each Party and each employee, representative or other agent of each Party may disclose to any and all persons, without limitation of any kind:

(i) any information with respect to the US federal and state income tax treatment of the Facilities and any facts that may be relevant to understanding such tax treatment, which facts shall not include for this purpose the names of any Party or any other person named herein, or information that would permit identification of any Party or such other persons, or any pricing terms or other non-public business or financial information that is unrelated to such tax treatment or facts; and

(ii) all materials of any kind (including opinions or other tax analysis) that are provided to any of the foregoing relating to such tax treatment,

in so far as such disclosure relates to US federal income tax.

(i) Each Finance Party Related Party shall be permitted to disclose information in accordance with this Clause 39.1 as if it were a Finance Party and may rely on this Clause subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

39.3 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities, the Company and/or the Subsidiary Guarantors the following information:

(i) names of the Company and the Subsidiary Guarantors;

(ii) country of domicile of the Company and the Subsidiary Guarantors;

(iii) place of incorporation of the Company and the Subsidiary Guarantors;

(iv) date of this Agreement;

(v) Clause 46 (*Governing law*);

(vi) the names of the Agent and the Arrangers;

(vii) date of each amendment and restatement of this Agreement;

(viii) amounts of, and names of, the Facilities (and any tranches);

(ix) amount of Total Commitments, Total Incremental Facility Commitments, or Total Initial Facility Commitments;

(x) currencies of the Facilities;

(xi) type of Facilities;

(xii) ranking of Facilities;

(xiii) Termination Date(s) for the Facilities;

(xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and

(xv) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities, the Company and/or a Subsidiary Guarantor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Company represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify the Company and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities, the Company and/or a Subsidiary Guarantor; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities, the Company and/or a Subsidiary Guarantor by such numbering service provider.

40. Confidentiality of Funding Rates and Reference Bank Quotations

40.1 Confidentiality and disclosure

(a) The Agent and the Company agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.

(b) The Agent may disclose:

(i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Company pursuant to Clause 12.4 (*Notification of rates of interest*); and

(ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.

(c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and the Company may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the Company, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the Company, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.

(d) The Agent's obligations in this Clause 40 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 12.4 (*Notification of rates of interest*) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

40.2 Related obligations

(a) The Agent and the Company each acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and the Company each undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.

(b) The Agent and the Company each agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:

(i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 40.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 40.

40.3 No Event of Default

No Event of Default will occur under Clause 25.3 (*Other obligations*) by reason only of the Company's failure to comply with this Clause 40.

41. Bail in

(a) Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(i) any Bail-In Action in relation to any such liability, including (without limitation):

(A) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(B) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(C) a cancellation of any such liability; and

(ii) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

(b) In this Clause 41:

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers.

"**Bail-In Legislation**" means, in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"**UK Bail-In Legislation**" means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"**Write-down and Conversion Powers**" means:

(i) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and

(ii) in relation to any UK Bail-In Legislation:

(A) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(B) any similar or analogous powers under that UK Bail-In Legislation.

42. Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

43. USA Patriot Act

Each Lender hereby notifies the Company and each Subsidiary Guarantor that pursuant to the requirements of the USA Patriot Act, such Lender is required to obtain, verify and record information that identifies the Company and each Subsidiary Guarantor, which information includes the name and address of Company and each Subsidiary Guarantor and other information that will allow such Lender to identify Company and each Subsidiary Guarantor in accordance with the USA Patriot Act.

44. Waiver of jury trial

EACH OF THE PARTIES TO THIS AGREEMENT AGREES TO WAIVE IRREVOCABLY ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE DOCUMENTS REFERRED TO IN THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN THIS AGREEMENT. This waiver is intended to apply to all Disputes. Each Party acknowledges that (a) this waiver is a material inducement to enter into this Agreement, (b) it has already relied on this waiver in entering into this Agreement and (c) it will continue to rely on this waiver in future dealings. Each Party represents that it has reviewed this waiver with its legal advisers and that it knowingly and voluntarily waives its jury trial rights after consultation with its legal advisers. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

45. Acknowledgement regarding any supported QFCS

To the extent that the Finance Documents provide support, through a guarantee or otherwise, for any hedging agreement or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**", and each such QFC, a "**Supported QFC**"), the Parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Finance Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Finance Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Finance Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the Parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Clause 45, the following terms have the following meanings:

"**BHC Act Affiliate**" of a person means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such person.

"**Covered Entity**" means any of the following: (i) a ""covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**QFC**" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 12
Governing law and enforcement

46. Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

47. Enforcement

47.1 Jurisdiction of English courts

(a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 47.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

47.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, the Company:

(i) irrevocably appoints Law Debenture Corporate Service Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by an agent for service of process to notify the Company of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company must immediately (and in any event within three (3) Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

47.3 Waiver of immunities

The Company irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

(a) suit;

(b) jurisdiction of any court;

(c) relief by way of injunction or order for specific performance or recovery of property;

(d) attachment of its assets (whether before or after judgment); and

(e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
Original Parties

Part 1
The Borrower

Name of Borrower	Jurisdiction of incorporation	Registration number
MCO Nominee One Limited	Cayman Islands	187717

Part 2
The Original Lenders

Name of Original Lender	Commitment (HK)
Banco Nacional Ultramarino, S.A.	550,250,000
Bank of China Limited, Macau Branch	5,425,000,000
Bank of Communications Co., Ltd. Macau Branch	4,650,000,000
Deutsche Bank AG, Singapore Branch	562,375,000
Industrial and Commercial Bank of China (Macau) Limited	3,100,000,000
Morgan Stanley Senior Funding, Inc.	562,375,000
Total	**14,850,000,000**

Schedule 2
Conditions precedent

1. The Company, each Subsidiary Guarantor and each Subordinated Creditor

(a) In respect of each of the Company, each Subsidiary Guarantor and each Subordinated Creditor, a copy of its constitutional documents (including its certificate of incorporation, certificate of incorporation on change of name (if any), memorandum and articles of association, register of directors, register of members and register of mortgages and charges).

(b) A copy of a resolution of the board of directors of the Company, each Subsidiary Guarantor and each Subordinated Creditor:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by each resolution referred to in paragraph (b) above.

(d) A certificate from each of the Company and each Subsidiary Guarantor (in each case signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.

(e) A certificate of an authorised signatory of the Company, each Subsidiary Guarantor and each Subordinated Creditor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Finance Documents

(a) A copy of this Agreement duly entered into by the parties to it.

(b) A copy of each Fee Letter duly entered into by the parties to it.

(c) A copy of the Subordination Deed duly entered into by the parties to it and the delivery of any original or copy of ancillary documents to the Subordination Deed as required in accordance with the terms thereof.

(d) A copy of each Subsidiary Guarantee duly entered into by the parties to it and the delivery of any original or copy of ancillary documents to that Subsidiary Guarantee as required in accordance with the terms thereof.

3. Legal opinions

(a) A legal opinion in relation to English law from White & Case addressed to the Arrangers, the Agent and the Original Lenders, substantially in the form distributed to the Arrangers prior to signing this Agreement.

(b) A legal opinion as to the laws of the Cayman Islands from Maples and Calder (Hong Kong) LLP, the law firm of the Maples Group addressed to the Arrangers, the Agent and the Original Lenders, substantially in the form distributed to the Arrangers prior to signing this Agreement.

(c) A legal opinion as to the laws of Macau from A&N – Advogados & Notários addressed to the Arrangers, the Agent and the Original Lenders, substantially in the form distributed to the Arrangers prior to signing this Agreement.

4. Other documents and evidence

(a) Evidence that any process agent referred to in Clause 47.2 (*Service of process*) and in respect of each of the Subordination Deed and each Subsidiary Guarantee has accepted its appointment.

(b) The Original Financial Statements.

(c) Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 15 (*Fees*) and Clause 20 (*Costs and expenses*) have been paid or will be paid on or before the date falling 5 Business Days after the Initial Utilisation Date.

(d) The Corporate Structure Chart.

(e) The Financial Model.

(f) Each of the following:

(i) a copy of a pay-off letter from the Existing OpCo Facility Agent to Melco Resorts Macau confirming the amount required to be paid so as to prepay and cancel the Existing OpCo Facilities in full on the Initial Utilisation Date;

(ii) a copy of the draft irrevocable prepayment and cancellation notice or notices from Melco Resorts Macau to the Existing OpCo Facility Agent stating that it will prepay and permanently cancel the Existing OpCo Facilities in full (other than HK$1,000,000 of commitments in respect of the Existing OpCo RCF which are to remain available, subject to the Existing OpCo Facility Agreement) on or within 1 Business Day of the Initial Utilisation Date; and

(iii) evidence satisfactory to the Arrangers that the Existing OpCo Facility Continuing Lender shall be the only lender of record under the Existing OpCo Facilities Agreement after completion of the prepayments and cancellations contemplated by the arrangements referred to above (and taking into account the Existing OpCo Facility Continuing Lender's partial waiver of its prepayment rights as contemplated in the waiver letter referred to in paragraph (g) below).

(g) A copy of a revocable waiver letter from the Existing OpCo Facility Continuing Lender to Melco Resorts Macau in respect of the Existing OpCo Facilities Agreement, in the agreed form distributed to the Arrangers prior to signing this Agreement (or otherwise in form and substance satisfactory to the Arrangers) and executed by the Existing OpCo Facility Continuing Lender, together with evidence satisfactory to the Arrangers that a copy of such waiver letter has been provided to each of the Existing OpCo Facility Agent and the Existing OpCo Facility Security Agent.

(h) A written undertaking from the Existing OpCo Facility Continuing Lender to the Agent in the agreed form distributed to the Arrangers prior to signing this Agreement (or otherwise in form and substance satisfactory to the Arrangers).

(i) Evidence that all "know your customer" requirements of each Finance Party have been satisfactorily completed.

Schedule 3
Form of Utilisation Request

[*To be placed on Company letterhead*]

From: MCO Nominee One Limited

To: [*Agent*]

Date:

Dear Sirs

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in or construed for the purposes of the Facility Agreement have the same meaning and construction in this Utilisation Request unless given a different meaning or construction in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

(a)	Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)
(b)	Facility to be utilised:	[Initial Facility]/[*insert details of relevant Incremental Facility]*
(c)	Currency of Loan:	[•]
(d)	Amount:	[•] or, if less, the applicable Available Facility
(e)	Interest Period:	[•]

3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

4. [This Loan is a Rollover Loan and is to be made for the purpose of refinancing [*identify maturing Loan*] in whole or in part]/[[Subject to paragraph 5 below,] the proceeds of this Loan will be used in accordance with [*specify relevant paragraph*] of Clause 3.1 (*Purpose*) of the Facility Agreement and should be credited to [*account in the name of the Company*]].

5. [We authorise you to deduct from the proceeds of the Loan [(and pay, to the applicable recipient(s), such amount deducted)] any upfront fee referred to in Clause 15.2 (*Upfront fee*) of the Facility Agreement, any agency fees payable pursuant to Clause 15.3 (*Agency fee*) of the Facility Agreement, and [*insert references to applicable costs and expenses, including legal fees*].]

6. This Utilisation Request is irrevocable.

Yours faithfully

for and on behalf of
MCO Nominee One Limited

_____

authorised signatory
Name:

Schedule 4
Form of Transfer Certificate

To: [•] as Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to the Facility Agreement, each Subsidiary Guarantee, the Subordination Deed and each other Third Party Creditor Document (each as defined in the Facility Agreement). This is a Transfer Certificate. Terms defined in the Facility Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Agreement.

2. We refer to Clause 26.5 (*Procedure for transfer*) of the Facility Agreement:

   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 26.5 (*Procedure for transfer*), all of the Existing Lender's rights and obligations under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facility Agreement as specified in the Schedule.

   (b) The proposed Transfer Date is [•].

   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 34.2 (*Addresses*) are set out in the Schedule.

3. The New Lender expressly acknowledges:

   (a) the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 26.4 (*Limitation of responsibility of Existing Lenders*); and

   (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.

4. In consideration of the New Lender being accepted as a Lender and Finance Party for the purposes of each Subsidiary Guarantee, the Subordination Deed and each other Third Party Creditor Document, the New Lender confirms that, as from the Transfer Date, it intends to be party to each such Finance Document in such capacities and undertakes to perform all the obligations expressed in each such Finance Document to be assumed by a Lender or Finance Party and agrees that it shall be bound by all the provisions of each such Finance Document, as if it had been an original party to each such Finance Document.

5. The New Lender confirms that it is a "New Lender" within the meaning of Clause 26.1 (*Assignment and transfers by the Lenders*).

6. The Existing Lender and the New Lender confirm that the New Lender is not an Affiliate of the Company.

7. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

8. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

9. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

The Schedule

Commitment/rights and obligations to be transferred

[*insert relevant details*]
[*Facility Office address, fax number and attention details for notices and account details for payments,*]

[Existing Lender] [New Lender]

By: By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [•].

[Agent]

By:

Schedule 5
Form of Assignment Agreement

To: [•] as Agent

From: [*the Existing Lender*] (the "**Existing Lender**") and [*the New Lender*] (the "**New Lender**")

Dated:

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to the Facility Agreement, each Subsidiary Guarantee, the Subordination Deed and each other Third Party Creditor Document (each as defined in the Facility Agreement). This is an Assignment Agreement. Terms defined in the Facility Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

2. We refer to Clause 26.6 (*Procedure for assignment*) of the Facility Agreement:

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facility Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facility Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [•].

4. On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender and Finance Party.

5. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 26.4 (*Limitation of responsibility of Existing Lenders*).

6. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 34.2 (*Addresses*) are set out in the Schedule.

7. In consideration of the New Lender being accepted as a Lender and Finance Party for the purposes of each Subsidiary Guarantee, the Subordination Deed and each other Third Party Creditor Document, the New Lender confirms that, as from the Transfer Date, it intends to be party to each such Finance Document in such capacities and undertakes to perform all the obligations expressed in each such Finance Document to be assumed by a Lender or Finance Party and agrees that it shall be bound by all the provisions of each such Finance Document, as if it had been an original party to each such Finance Document.

8. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery to the Company in accordance with Clause 26.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*), to the Company [(for itself and for and on behalf of each Subsidiary Guarantor)] of the assignment referred to in this Assignment Agreement.

9. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.

10. This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

11. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

The Schedule

Commitment/rights and obligations to be transferred by assignment, release and accession

[*insert relevant details*]
[*Facility Office address, fax number and attention details for notices and account details for payments*,]

[Existing Lender] [New Lender]

By: By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [•].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

Schedule 6
Form of Compliance Certificate

From: MCO Nominee One Limited

To: [•] as Agent

Dated:

Dear Sirs

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that:

   (a) in respect of the Relevant Period ending on [•], Consolidated EBITDA for such Relevant Period was [•] and Consolidated Net Finance Charges for such Relevant Period were [•]. Therefore Consolidated EBITDA for such Relevant Period was [•] times Consolidated Net Finance Charges for such Relevant Period and the covenant contained in paragraph (a) (*Interest Cover*) Clause 23.2 (*Financial condition*) [has/has not] been complied with;

   (b) on the last day of the Relevant Period ending on [•], Consolidated Senior Debt was [•] and Consolidated EBITDA for such Relevant Period was [•]. Therefore Consolidated Senior Debt at such time [did/did not] exceed [•] times Consolidated EBITDA for such Applicable Test Date and the covenant contained in paragraph (b) (*Senior Leverage*) of Clause 23.2 (*Financial condition*) [has/has not] been complied with;

   (c) on the last day of the Relevant Period ending on [•], Consolidated Total Debt was [•] and Consolidated EBITDA for such Relevant Period was [•]. Therefore Consolidated Total Debt at such time [did/did not] exceed [•] times Consolidated EBITDA for such Applicable Test Date and the covenant contained in paragraph (c) (*Total Leverage*) of Clause 23.2 (*Financial condition*) [has/has not] been complied with; and

   (d) Senior Leverage is [•]:1 and that, therefore, the Margin should be [•]% p.a.

3. [We confirm that no Default is continuing.]*

Signed

Authorised Representative
of
MCO Nominee One Limited

NOTES:

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

Schedule 7
Form of Incremental Lender Accession Deed

THIS DEED dated [ ] is supplemental to a facility agreement (the "**Facility Agreement**") dated [•] 2020 between MCO Nominee One Limited as the Company, the financial institutions named therein as Original Lenders and [•] as agent (as amended, novated, supplemented, extended, replaced or retained from time to time), each Subsidiary Guarantee, the Subordination Deed and each other Third Party Creditor Document (each as defined in the Facility Agreement).

Words and expressions defined in the Facility Agreement have the same meaning when used in this Deed and the principles of construction and rules of interpretation set out therein shall also apply.

[*name of new Additional Lender*] (the "**Additional Lender**") of [*address*]:

(a) hereby agrees with each other person who is or who becomes a party to the Facility Agreement that with effect on and from the date of this Deed it shall be bound by the Facility Agreement and be entitled to exercise rights and be subject to obligations thereunder as a Lender; and

(b) in consideration of the Additional Lender being accepted as a Lender and Finance Party for the purposes of each Subsidiary Guarantee, the Subordination Deed and each other Third Party Creditor Document, hereby agrees with each other person who is or who becomes a party to any such Finance Document that with effect on and from the date of this Deed it intends to be party to each such Finance Document in such capacities and undertakes to perform all the obligations expressed in each such Finance Document to be assumed by a Lender or Finance Party and agrees that it shall be bound by all the provisions of each such Finance Document, as if it had been an original party to each such Finance Document.

The Additional Lender expressly acknowledges that it is the responsibility of the Additional Lender to ascertain whether any document is required or any formality or other condition required to be satisfied to effect or perfect this Deed or otherwise to enable the Additional Lender to enjoy the full benefit of each Finance Document.

The Additional Lender confirms that it is not an Affiliate of the Company.

The initial telephone number, fax number, address and person designated by the Additional Lender for the purposes of Clause 34 (*Notices*) of the Facility Agreement are:

Address:	[ ]
Fax:	[ ]
Telephone:	[ ]
Attention:	[ ]
Email:	[ ]

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

Executed as a deed by)

[*insert name of Additional Lender*])

[*include appropriate execution*)

clause])

Accepted by the Agent:

for and on behalf of

[*Insert name of Agent*]

Date:

Schedule 8
Form of Incremental Facility Notice

To: [•] as Agent

From: MCO Nominee One Limited (the "**Company**")

Dated: [•]

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

We refer to the Facility Agreement. This is an Incremental Facility Notice. Terms defined in the Facility Agreement shall have the same meaning when used in this Incremental Facility Notice.

1. The Company wishes to establish an Incremental Facility on the following terms:

Type of Facility:	[*Incremental Term Loan Facility / Incremental Revolving Credit Facility / Incremental Facility Increase in respect of [●] Facility*]
Termination date and repayment schedule:	[●]
Requested Facility Amount and currency of commitment:	[*insert amount in Hong Kong dollars*]
Availability period:	[●]
Interest rate:	[*insert details of base rate plus margin or fixed rate*]
[Commitment fee:	[●]]
Borrower:	The Company
Currency of utilisation:	[*Base Currency / Optional Currency*]
Purpose:	[●]
Maximum number of Loans that may be outstanding:	[●]
[Other relevant terms]	[●]

2. [The Company invites each Lender to participate in the Relevant Incremental Facility in its Pro Rata Share.]

3. The Company confirms that the Repeating Representations are true and accurate in all material (or, to the extent that the Repeating Representation is subject to any materiality qualifier, all) respects as at the date of this Incremental Facility Notice.

4. The Company confirms that no Event of Default is continuing at the time of, or would arise as a result of, the establishment and utilisation of the Relevant Incremental Facility

Yours faithfully

for and on behalf of
MCO Nominee One Limited

_____
authorised signatory
Name:

Schedule 9
Forms of Notifiable Debt Purchase Transaction Notice

Part 1

Form of Notice of Notifiable Debt Purchase Transaction

To: [•] as Agent

From: [*The Lender*]

Dated:

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to paragraph (b) of Clause 27.2 (*Disenfranchisement of Sponsor Affiliates*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.

2. We have entered into a Notifiable Debt Purchase Transaction.

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment	**Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)**
[Initial Facility Commitment]	[*insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies*]
[Incremental Facility Commitment under the Incremental Facility with an Establishment Date of [●]] *	[*insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies*]

[Lender]

By:

* Delete as applicable

Part 2
Form of Notice on Termination of Notifiable Debt Purchase Transaction

To: [•] as Agent

From: [*The Lender*]

Dated:

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to paragraph (c) of Clause 27.2 (*Disenfranchisement of Sponsor Affiliates*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.

2. A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [•] has [terminated]/[ceased to be with a Sponsor Affiliate].*

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment	**Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)**
[Initial Facility Commitment]	[*insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies*]
[Incremental Facility Commitment under the Incremental Facility with an Establishment Date of [●]]**	[*insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies*]

[Lender]

By:

---

* Delete as applicable
** Delete as applicable

Schedule 10
Form of Selection Notice

To: [•] as Agent

From: MCO Nominee One Limited

Dated:

MCO Nominee One Limited – HKD14,850,000,000 Facility Agreement dated [•] 2020
(as amended and/or supplemented from time to time, the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Selection Notice. Terms defined in the Facility Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. We refer to the following Incremental Facility Loan[s] under the [*insert details of relevant Incremental Term Loan Facility*] with an Interest Period ending on [*insert details of the Loan and the Interest Period end date*].

3. [We request that the above Incremental Facility Loan be divided into [•] Incremental Facility Loans with the following Base Currency Amounts and Interest Periods:] *

   or

   [We request that the next Interest Period for the above Incremental Facility Loan[s] is [•].]**

4. This Selection Notice is irrevocable.

Signed

Authorised Representative
of
MCO Nominee One Limited

---

* Delete as applicable
** Delete as applicable

Signatures

Company

SIGNED for and on behalf of
MCO NOMINEE ONE LIMITED
as the Company

/s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Authorised Signatory

Address:	37/F, The Centrium, 60 Wyndham Street, Central, Hong Kong
Attention:	Company Secretary
Telephone:	+852 2598 3600
Fax:	+852 2537 3618
Email:	mco-comsec@melco-resorts.com

Coordinators

SIGNED for and on behalf of
BANK OF CHINA LIMITED, MACAU BRANCH

as Coordinator

/s/ Wong Iao Kun

Name: Wong Iao Kun
Title: Deputy Director of Credit Admin. Dept.

Address:	17/F, Bank of China Building, Avenida Doutor Mario Soares, Macau
Attention:	Venus Huang / Candy Shen / Edward Wu
Telephone:	(853) 8792 1705 / (853) 8792 1729 / (853) 8792 1766
Fax:	(853) 8792 1677
Email:	huang_jiayu@bocmacau.com / shen_ haoyu@bocmacau.com / wu_you@bocmacau.com

Coordinators

SIGNED for and on behalf of

BANK OF COMMUNICATIONS CO., LTD. MACAU BRANCH

as Coordinator

/s/ Leng San

Name: LENG SAN
Title: VICE PRESIDENT

Address:	16F, AIA Tower, No. 251a-301 Avenida Comercial De Macau, Macau
Attention:	Ariel Tang / Alvis Lao / Kim Chan
Telephone:	(853) 8898 8211 / (853) 8898 8225 / (853) 8898 8229
Fax:	(853) 2828 6638
Email:	ariel.tang@bankcomm.com.mo / alvis@bankcomm.com.mo / kim@bankcomm.com.mo

Coordinators

SIGNED for and on behalf of
MORGAN STANLEY SENIOR FUNDING, INC.

as Coordinator

/s/ Michael King
Name: Michael King
Title: Vice President

Address:	42/F, ICC, 1 Austin Road West, Kowloon, Hong Kong
Attention:	Oskar Arnoldsson / Jackie Chen / Michelle Liu
Telephone:	+852 3963-0317 / +852 2239-7522 / +852 2239-1596
Fax:	+852 3407 6856
Email:	Oskar.Arnoldsson@MorganStanley.com / Jackie.Chen@morganstanley.com / Michelle.Liu@morganstanley.com

Arrangers

SIGNED for and on behalf of
BANCO NACIONAL ULTRAMARINO, S.A.

as Arranger

/s/ Chui Po Lin Violet /s/ Cheong Hong Chon (Teren)

Name: Chui Po Lin Violet / Cheong Hong Chon (Teren)
Title: General Manager / General Manager

Address:	No. 22, Avenida da Almeida Ribeiro, Macau
Attention:	Violet Choi / Madalena Cou / Elaine Vu / Kristie Cheong
Telephone:	(853) 8398 9106 / (853) 8398 9251 / (853) 8398 9307 / (853) 8398 9250
Fax:	(853) 2835 6867
Email:	violetc@bnu.com.mo / madalene@bnu.com.mu / Elaine.vu@bnu.com.mo / kristie.cheong@bnu.com.mo

Arrangers

SIGNED for and on behalf of
BANK OF CHINA LIMITED, MACAU BRANCH

as Arranger

/s/ Wong Iao Kun

Name: Wong Iao Kun
Title: Deputy Director of Credit Admin. Dept.

Address:	17/F, Bank of China Building, Avenida Doutor Mario Soares, Macau
Attention:	Venus Huang / Candy Shen / Edward Wu
Telephone:	(853) 8792 1705 / (853) 8792 1729 / (853) 8792 1766
Fax:	(853) 8792 1677
Email:	huang_jiayu@bocmacau.com / shen_haoyu@bocmacau.com / wu_you@bocmacau.com

Arrangers

SIGNED for and on behalf of
BANK OF COMMUNICATIONS CO., LTD. MACAU BRANCH

as Arranger

/s/ Leng San

Name: LENG SAN
Title: VICE PRESIDENT

Address:	16F, AIA Tower, No. 251a-301 Avenida Comercial De Macau, Macau
Attention:	Ariel Tang / Alvis Lao / Kim Chan
Telephone:	(853) 8898 8211 / (853) 8898 8225 / (853) 8898 8229
Fax:	(853) 2828 6638
Email:	ariel.tang@bankcomm.com.mo / alvis@bankcomm.com.mo / kim@bankcomm.com.mo

Arrangers

SIGNED for and on behalf of
DEUTSCHE BANK AG, SINGAPORE BRANCH

as Arranger

/s/ Haitham Ghattas
Name: Haitham Ghattas
Title: Managing Director

/s/ ChooPing Quek
Name: ChooPing Quek
Title: Vice President

Address:	One Raffles Quay, South Tower #14-00, Singapore 048583
Attention:	Yvonne Choo / Xuan-Ren Chen
Telephone:	+65 6423 6666 / +65 6423 5990
Fax:	+65 6221 2306 / +65 6221 2306
Email:	loanoperations.singapore@db.com / dboi.sgclosing@db.com / dboi.sgloans@db.com

Arrangers

SIGNED for and on behalf of
MORGAN STANLEY SENIOR FUNDING, INC.

as Arranger

/s/ Michael King

Name: Michael King
Title: Vice President

Address:	42/F, ICC, 1 Austin Road West, Kowloon, Hong Kong
Attention:	Oskar Arnoldsson / Jackie Chen / Michelle Liu
Telephone:	+852 3963-0317 / +852 2239-7522 / +852 2239-1596
Fax:	+852 3407 6856
Email:	Oskar.Arnoldsson@MorganStanley.com / Jackie.Chen@morganstanley.com / Michelle.Liu@morganstanley.com

Arrangers

SIGNED for and on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

as Arranger

/s/ Chan Kam Lun /s/ Yang Peng

Name:
Title:

Address:	18/F., ICBC Tower, Macau Landmark, 555 Avenida da Amizade, Macau
Attention:	Eric Chan / Cat Tang / Linda Chan / Lillian Hong / Selene Ren / Benny Fok / Vanessa Chao
Telephone:	(853) 8398 2118 / (853) 8398 2108 / (853) 8398 2452 / (853) 8398 2224 / (853) 8398 2499 / (853) 8398 2501 / (853) 8398 7447
Fax:	(853) 8398 2160 / (853) 2858 4496
Email:	ericchan@mc.icbc.com.cn / cattang@mc.icbc.com.cn / lindachan@mc.icbc.com.cn / lillianhong@mc.icbc.com.cn / seleneren@mc.icbc.com.cn / bennyfok@mc.icbc.com.cn / vanessachao@mc.icbc.com.cn

Agent

SIGNED for and on behalf of
BANK OF CHINA LIMITED, MACAU BRANCH

as Agent

/s/ Wong Iao Kun

Name: Wong Iao Kun
Title: Deputy Director of Credit Admin. Dept.

Address:	20/F, Bank of China Building, Avenida Doutor Mario Soares, Macau
Attention:	James Wong / Alex Ung / Jade Gan / Jennie Chan
Telephone:	(853) 8792 1639 / (853) 8792 1655 / (853) 8792 1661 / (853) 8792 1688
Fax:	(853) 8792 1659
Email:	wong_iaokun@bocmacau.com / ung_kafai_mac@mail.notes.bank-of-china.com / gan_qianyu@bocmacau.com / chan_unteng@bocmacau.com / gan_qianyu_mac@mail.notes.bank-of-china.com / chan_ unteng_mac@mail.notes.bank-of-china.com

Original Lenders

SIGNED for and on behalf of
BANCO NACIONAL ULTRAMARINO, S.A.

as Original Lender

/s/ Chui Po Lin Violet /s/ Cheong Hong Chon (Teren)

Name: Chui Po Lin Violet / Cheong Hong Chon (Teren)
Title: General Manager / General Manager

Address:	No. 22, Avenida da Almeida Ribeiro, Macau
Attention:	Violet Choi / Madalena Cou / Elaine Vu / Kristie Cheong
Telephone:	(853) 8398 9106 / (853) 8398 9251 / (853) 8398 9307 / (853) 8398 9250
Fax:	(853) 2835 6867
Email:	violetc@bnu.com.mo / madalene@bnu.com.mu / Elaine.vu@bnu.com.mo / kristie.cheong@bnu.com.mo

Original Lenders

SIGNED for and on behalf of
BANK OF CHINA LIMITED, MACAU BRANCH

as Original Lender

/s/ Wong Iao Kun

Name: Wong Iao Kun
Title: Deputy Director of Credit Admin. Dept.

Address:	17/F, Bank of China Building, Avenida Doutor Mario Soares, Macau
Attention:	Venus Huang / Candy Shen / Edward Wu
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Original Lenders

SIGNED for and on behalf of
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as Original Lender

/s/ Leng San

Name: LENG SAN
Title: VICE PRESIDENT

Address:	16F, AIA Tower, No.251a-301 Avenida Comercial De Macau, Macau
Attention:	Ariel Tang / Alvis Lao / Kim Chan
Telephone:	(853) 8898 8211 / (853) 8898 8225 / (853) 8898 8229
Fax:	(853) 2828 6638
Email:	ariel.tang@bankcomm.com.mo / alvis@bankcomm.com.mo / kim@ bankcomm.com.mo

Original Lenders

SIGNED for and on behalf of
DEUTSCHE BANK AG, SINGAPORE BRANCH

as Original Lender

/s/ Haitham Ghattas
Name: Haitham Ghattas
Title: Managing Director

/s/ ChooPing Quek
Name: ChooPing Quek
Title: Vice President

Address:	One Raffles Quay, South Tower #14-00, Singapore 048583
Attention:	Yvonne Choo / Xuan-Ren Chen
Telephone:	+65 6423 6666 / +65 6423 5990
Fax:	+65 6221 2306 / +65 6221 2306
Email:	loanoperations.singapore@db.com / dboi.sgclosing@db.com / dboi.sgloans@db.com

Original Lenders

SIGNED for and on behalf of
MORGAN STANLEY SENIOR FUNDING, INC.

as Original Lender

/ s/ Michael King
Name: Michael King
Title: Vice President

Address: 42/F, ICC, 1 Austin Road West, Kowloon, Hong Kong

Attention: Oskar Arnoldsson / Jackie Chen / Michelle Liu

Telephone: +852 3963-0317 / +852 2239-7522 / +852 2239-1596

Fax: +852 3407 6856

Email: Oskar.Arnoldsson@MorganStanley.com / Jackie.Chen@morganstanley.com / Michelle.Liu@morganstanley.com

Original Lenders

SIGNED for and on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

as Original Lender

/s/ Chan Kam Lun /s/ Yang Peng

Name:
Title:

Address: 18/F., ICBC Tower, Macau Landmark, 555 Avenida da Amizade, Macau
Attention: Eric Chan / Cat Tang / Linda Chan / Lillian Hong / Selene Ren / Benny Fok / Vanessa Chao

Telephone: (853) 8398 2118 / (853) 8398 2108 / (853) 8398 2452 / (853) 8398 2224 / (853) 8398 2499 / (853) 8398 2501 / (853) 8398 7447
Fax: (853) 8398 2160 / (853) 2858 4496

Email: ericchan@mc.icbc.com.cn / cattang@mc.icbc.com.cn / lindachan@mc.icbc.com.cn / lillianhong@mc.icbc.com.cn / seleneren@mc.icbc.com.cn / bennyfok@mc.icbc.com.cn / vanessachao@mc.icbc.com.cn

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [***], HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

SUPPLEMENTAL AGREEMENT
To
Operating Agreement

This **Agreement** is made and entered into this March 22, 2021, and effective on the date of this Agreement, by and among:

(1) **PREMIUMLEISURE AND AMUSEMENT, INC.**, a corporation duly organized and existing under and by virtue of Philippine laws, with office address at the 5th Floor, Two E-com Center, Mall of Asia Complex, J.W. Diokno Boulevard, Pasay City, Metro Manila, Philippines (**PLAI**), **SM INVESTMENTS CORPORATION,** a corporation duly organized and existing under and by virtue of Philippine laws, with office address at the 10th Floor, One E-com Center, Mall of Asia Complex, J.W. Diokno Boulevard, Pasay City, Metro Manila, Philippines (**SMIC**), and **BELLE CORPORATION,** a corporation duly organized and existing under and by virtue of Philippine laws, with office address at the 5th Floor, Two E-com Center, Mall of Asia Complex, J.W. Diokno Boulevard, Pasay City, Metro Manila, Philippines (**Belle**),

(PLAI, SMIC and Belle shall each be known as a **Philippine Party**, and collectively, as the **Philippine Parties**);

(2) **MPHIL HOLDINGS NO. 2 CORPORATION (***Formerly **MCE HOLDINGS NO.2 (PHILIPPINES) CORPORATION***)** (**MPHIL2**) for itself and for and on behalf of **MPHIL HOLDINGS NO. 1 CORPORATION (***Formerly **MCE Holdings (Philippines) Corporation***)** (**MPHIL1**), each a corporation duly organized and existing under and by virtue of Philippine laws, with office address at Asean Avenue corner Roxas Boulevard, Brgy. Tambo, 1701 Paranaque City, Metro Manila, Philippines,

(MPHIL2 and MPHIL1 shall each be known as a **Melco Party,** and collectively with Melco Leisure as the **Melco Parties); and**

(3) **MELCO RESORTS LEISURE (PHP) CORPORATION (***Formerly **MCE LEISURE (PHILIPPINES) CORPORATION***)**, a corporation duly organized and existing under and by virtue of Philippine laws, with office address at Asean Avenue corner Roxas Boulevard, Brgy. Tambo, 1701 Paranaque City Metro Manila, Philippines (**Melco Leisure**),

Each of the Philippine Parties, the Melco Parties, and Melco Leisure, shall be known as a **Licensee** or **Party**, and collectively, as the **Licensees** or **Parties**.

RECITALS

(A) The Licensees are the named licensees and holders of the Casino License issued by the Philippine Gaming Amusement and Gaming Corporation (**PAGCOR**).

(B) On March 13, 2013, the Licensees entered into an Operating Agreement (the **Operating Agreement**) whereby Melco Leisure was appointed as the sole and exclusive operator of the casino, hotel, retail and entertainment complex called "City of Dreams Manila" (**COD Manila**).

(C) In accordance with the Operating Agreement, Melco Leisure agreed to pay PLAI the Monthly Mass Payment, Monthly VIP Payment and VIP True Up Payment (the **Gaming Share**).

(D) The COVID-19 pandemic and Government issuances related thereto caused the suspension of gaming operations of COD Manila beginning March 15, 2020. On June 18, 2020, PAGCOR allowed integrated resort casinos, including COD Manila, to conduct "trial run" or "dry run" operations at thirty percent (30%) limited operating capacity. In August 2020, PAGCOR suspended gaming operations for about two (2) weeks. Thereafter, PAGCOR allowed the integrated resort casinos, including COD Manila, to re-open at 30% operating capacity. This and other restrictions have continued into the calendar year 2021 and remain continuing as of the date of this Agreement.

(E) The COVID-19 pandemic, various Government restrictions, and the temporary closure and limited operations of COD Manila, completely and radically altered the conditions under which the parties have entered into the Operating Agreement, and have had an extremely disruptive effect on the operations of Melco Leisure, causing a decline in revenues and negative earnings and negative cashflow.

(F) The Philippine Parties, cognizant of the effects of the pandemic to the operations of COD Manila and in consideration of their strong partnership with the Melco Parties, have agreed to restructure the payment mechanism for the Gaming Share under the Operating Agreement, as provided in this Agreement.

NOW, THEREFORE, the Parties hereto agree as follows:

Section 1. Defined Terms

Unless defined in this Agreement, capitalized terms have the meaning ascribed to such terms in the Operating Agreement.

Section 2. 2020 Gaming Share

The total Monthly Mass Payment and Monthly VIP Payment invoiced for the calendar year 2020 amounted to [***], of which [***] was paid to and received by PLAI and [***] remain outstanding (the **2020 Amount**)**.** Melco Leisure will pay the 2020 Amount no later than five (5) business days from the date of this Agreement. Other than the 2020 Amount, the Melco Parties shall have no further obligations under Section 9.02, 9.03 and 9.04(a) of the Operating Agreement for the calendar year 2020.

Section 3. 2021 Gaming Share

For the calendar year 2021, Melco Leisure agrees to pay to PLAI the Monthly Mass Payment and Monthly VIP Payment as computed and within the time periods provided in Sections 9.03 and 9.04(a) of the Operating Agreement, subject to Section 4(a) below.

Section 4. VIP True Up Payment

The Parties agree to modify the payment procedure of the VIP True Up Payment for the calendar years 2019 and 2020, which will instead be implemented as follows:

a. For the calendar year 2019, the VIP True Up Payment of [***] as computed and agreed by the Parties, shall be reduced by [***]% to [***] as agreed between the Parties. The said amount shall be deducted by Melco Leisure (i) up to one hundred percent (100%) of the Monthly VIP Payment and (ii) up to twenty-five percent (25%) of the Monthly Mass Payment due to PLAI, with respect to all subsequent Fiscal Periods beginning January 2021, and shall be deducted by Melco Leisure consecutively beginning January 2021 until the full amount has been exhausted or settled.

b. For the calendar year 2020, the VIP True Up Payment of [***] as computed by the Parties, shall be reduced by [***]% to [***] as agreed between the Parties. The said amount shall be deducted by Melco Leisure (i) up to one hundred percent (100%) of the Monthly VIP Payment and (ii) up to twenty-five percent (25%) of the Monthly Mass Payment, due to PLAI, with respect to all subsequent Fiscal Periods beginning January 2022, and shall be deducted by Melco Leisure consecutively beginning January 2022 until the full amount has been exhausted or settled.

Section 5. VIP True Up Payment from January 2021 to December 2022

For the Fiscal Period from January 2021 to December 2022, the VIP True Up Payment shall be computed in accordance with Part C, Section 3 of Schedule 2 of the Operating Agreement. Should the VIP True Up Payment be a negative amount, said amount shall be deducted as provided in the Operating Agreement.

Section 6. Effectivity and Term

The Parties agree that the arrangements embodied in this Agreement shall be effective immediately and apply only for the calendar years 2019, 2020, 2021 and 2022 (in so far as the VIP True Up Payment is concerned), except for the deductions to be applied by Melco Leisure in accordance with Sections 4(a) and 4(b) above, which deductions shall continue until the full amount has been exhausted or settled regardless of the calendar year.

Section 7. Consequence of Modification

The Parties agree that during the effectivity of this Agreement, the Operating Agreement shall be deemed modified as exclusively provided here, and in no other way. Except as provided in this Agreement, all other provisions of the Operating Agreement shall remain in full force and effect. This Agreement amends, modifies and supplements the Operating Agreement and shall be fully incorporated into and subject to the terms and provisions thereof other than as such terms and provisions thereof have been modified by this Agreement.

Section 8. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines.

Section 9. Dispute Resolution

Any dispute arising from or related to this Agreement (including as to its existence, breach or termination), will be resolved through Arbitration, and in accordance with the procedure stipulated in Section 18.03 of the Operating Agreement.

Section 10. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. Each Party may execute this Agreement by signing any such counterpart.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized signatories on the date and at the place first above written.

PREMIUMLEISURE AND AMUSEMENT, INC.
SM INVESTMENTS CORPORATION
BELLE CORPORATION

By:

/s/ ARMIN B. RAQUEL-SANTOS

Name: ARMIN B. RAQUEL-SANTOS
Position: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized signatories on the date and at the place first above written.

MPHIL HOLDINGS NO. 2 CORPORATION for itself and **MPHIL HOLDINGS NO. 1 CORPORATION**

By:

/s/ CLARENCE YUK MAN CHUNG
Name: CLARENCE YUK MAN CHUNG
Position: President

MELCO RESORTS LEISURE (PHP) CORPORATION

By:

/s/ CLARENCE YUK MAN CHUNG
Name: CLARENCE YUK MAN CHUNG
Position: President

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [***], HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

SUPPLEMENTAL AGREEMENT
to
Contract of Lease

This **Agreement** is made and entered into this March 22, 2021, and effective on the date of this Agreement, by and among:

(1) **BELLE CORPORATION,** a corporation duly organized and existing under and by virtue of Philippine laws, with office address at the 5th Floor, Two E-com Center, Mall of Asia Complex, J.W. Diokno Boulevard, Pasay City, Metro Manila, Philippines (the **Lessor**);

(2) **MELCO RESORTS LEISURE (PHP) CORPORATION** (*Formerly **MCE LEISURE (PHILIPPINES) CORPORATION***), a corporation duly organized and existing under and by virtue of Philippine laws, with office address at Asean Avenue corner Roxas Boulevard, Brgy. Tambo, 1701 Parañaque City (the **Lessee**)

(Each a **Party**, and together, the **Parties**).

RECITALS

(A) On October 25, 2012, the Parties entered into a Contract of Lease (the **Lease Agreement**) whereby the Lessor agreed to lease unto the Lessee the Leased Premises where the casino, hotel, retail and entertainment complex called "City of Dreams Manila" (**COD Manila**) currently stands.

(B) On March 13, 2013, the Parties, together with SM Investments Corporation, PremiumLeisure and Amusement, Inc., MCE Holdings No. 2 (Philippines) Corporation (now MPHIL Holdings No. 2 Corporation), and MCE Holdings (Philippines) Corporation (now MPHIL Holdings No. 1 Corporation), entered into an Operating Agreement (the **Operating Agreement**) whereby the Lessee was appointed as the sole and exclusive operator of COD Manila.

(C) The Lessee agreed to pay to the Lessor monthly rent for the Leased Premises as provided in Section 5.01 of the Lease Agreement (the **Monthly Rent**).

(D) The COVID-19 pandemic and Government issuances related thereto caused the suspension of gaming operations of COD Manila beginning, March 15, 2020. On June 18, 2020, the Philippine Amusement and Gaming Corporation (**PAGCOR**) allowed integrated resort casinos including COD Manila, to conduct "trial run" or "dry run" operations at thirty percent (30%) limited operating capacity. In August 2020, PAGCOR suspended gaming operations for about two (2) weeks. Thereafter, PAGCOR allowed the integrated resort casinos, including COD Manila, to re-open at 30% operating capacity. This and other restrictions have continued into the calendar year 2021 and remain continuing as of the date of this Agreement.

(E) The COVID-19 pandemic, various Government restrictions, and the temporary closure and continued limited operations of COD Manila completely and radically altered the conditions under which the Parties have entered into the Lease Agreement, and have had an extremely disruptive effect on the operations of the Lessee, including a decline in revenues and negative earnings and negative cashflow.

(F) The Lessor, cognizant of the effects of the pandemic to the operations of COD Manila, and in consideration of its strong partnership with the Lessee, has agreed to restructure the Monthly Rent under the Lease Agreement for the years 2020 and 2021.

NOW, THEREFORE, the Parties hereto agree as follows:

Section1. Defined Terms

Unless defined in this Agreement, capitalized terms have the meaning ascribed to such terms in the Lease Agreement.

Section 2. 2020 Monthly Rent

The Parties agree that the total annual Rent for the calendar year 2020 shall be [***], exclusive of value added tax and net of withholding tax, covering the [***] only and no rent will be due on the [***]. An overpayment of [***] will be returned and paid by the Lessor to the Lessee no later than five (5) business days from the date of this Agreement without any set-off, condition, restriction, counterclaim, deduction or withholding.

Section 3. 2021 Monthly Rent

The Parties agree that the Monthly Rent for the Leased Premises for the calendar year 2021 as provided in Schedule 1 of this Agreement shall be paid by the Lessee to the Lessor in the manner and within the time period provided in the Lease Agreement, in the following amounts and subject to the adjustments provided:

a. The minimum guaranteed rent shall be [***] percent ([***]%) of the Monthly Rent (the **Reduced Monthly Rent**) which is [***], or a total of [***] for all twelve (12) months of calendar year 2021 (the **Reduced 2021 Rent**), subject to the following:

   i. [***]

   ii. [***]

iii. [***].

iv. In any case, if after calendar year 2021:

1. the total rent paid by Lessee to Lessor for calendar year 2021 (inclusive of any additional amounts under Sections 3 (b), (c), and (d) of this Agreement) is equal to or exceeds the Reduced 2021 Rent, then [***].

2. the total rent paid by Lessee to Lessor for calendar year 2021 (inclusive of any additional amounts under Sections 3 (b), (c), and (d) of this Agreement) is less than the Reduced 2021 Rent, then [***] on or before the fifth (5^{th}) business day after December 31, 2021.

b. In the event of an increase in operating capacity of COD Manila over thirty percent (30%) for any month in 2021, a corresponding amount shall be paid in addition to the Reduced Monthly Rent for that month, of up to [***] percent ([***]%) of the Monthly Rent in the proportion to the increase in operating capacity, such additional amount to be computed as follows:

Every [***]% increase in capacity over 30% is equal to [***]% out of [***]% of the Monthly Rent, as illustrated below:

Allowed Operating Capacity %	Corresponding amount in addition to the Reduced Monthly Rent (% of the Monthly Rent)
30%	[***]
40%	[***]
50%	[***]
60%	[***]
70%	[***]
80%	[***]
90%	[***]
100%	[***]

provided:

(i) the percentage of the Monthly Rent payable shall increase by a maximum of [***]% if the allowed operational capacity increases from 30% to 100%.

(ii) if the increase in operating capacity only takes effect and occurs for part of that month, the additional amount for the month under this Section 3(b) shall be [***].

Any subsequent issuance by a Government Authority that decreases the operating capacity of COD Manila to 30% or less shall result in [***] under this Section 3(b) being due for the month during which the reduction in operating capacity to 30% or less takes effect. If the subsequent reduction in operating capacity to 30% or less affects only part of a month, the [***] under this Section 3(b) shall be [***].

In the event any issuance of a Government Authority suspends the operations of COD Manila through no fault of the Lessee, the Lessee shall not be liable to pay any Rent during the period such issuance remains effective. If the suspension is lifted, but COD Manila is only allowed to open at 30% operating capacity or less, the above provisions shall apply.

For this Agreement, "**increase in operating capacity**" (or "increase operational capacity") means: formal and official issuances by the appropriate Government Authority, including PAGCOR, permitting COD Manila to increase its operating capacity to more than 30%.

c. Up to [***] per cent ([***]%) of the Monthly Rent shall be paid in addition to the Reduced Monthly Rent, and any increase thereto effected pursuant to Sections 3(b) and 3(d) (below) of this Agreement, should the government lift all restrictions for individuals aged sixty-five (65) years old and above to enter and visit COD Manila in the proportion to the age restriction being lifted.

Every 1 year of age restriction above 65 years old up to 85 years old lifted is equal to [***]% of the Monthly Rent up to a maximum of [***]% of the Monthly Rent. For the avoidance of doubt, if the age restriction is increased to 85 years old and above, the entire [***] percent ([***]%) of the Monthly Rent shall be due.

(i) If the lifting of all restrictions on individuals aged 65 years old and above only takes effect and occurs for part of that month, the additional amount for the month under this Section 3(c) shall be pro-rated based on the number of whole days (24 hours) COD Manila was allowed to operate without the restriction on individuals aged 65 years old and above, divided by the total number of days in the month.

(ii) Any subsequent issuance by a Government Authority which imposes any restriction for individuals aged sixty-five (65) years old and above to enter and visit COD Manila shall result in [***] under this Section 3(c) being due for the month during which the restriction is applied, subject to the formula of proportionality provided in the first and second paragraphs of this Section 3(c). If the subsequent restriction affects only part of a month, the [***] under this Section 3(c) shall be pro-rated based on the number of whole days (24 hours) COD Manila was allowed to operate without the restriction on individuals aged 65 years old and above, divided by the total number of days in the month. In the event any issuance of a Government Authority suspends the operations of COD Manila through no fault of the Lessee, the Lessee shall not be liable to pay any Rent during the period such issuance remains effective. If the suspension is lifted, but COD Manila is only allowed to open at 30% operating capacity or less, the above provisions shall apply.

d. [***] per cent ([***]%) of the Monthly Rent shall be paid in addition to the Reduced Monthly Rent, and any increase thereto effected pursuant to Sections 3(b) and 3(c) of this Agreement, should the government lift the inbound international travel restriction for foreigners due to the COVID-19 pandemic such that foreigners may have free access to the Philippines and all areas of COD Manila (including its casino and gaming areas) without any quarantine requirements.

For purposes of the first paragraph of Section 3 (d) of this Agreement, “quarantine requirements” shall mean any Government Authority issuance mandating that a foreigner arriving at the Philippines must undergo quarantine or isolation for any period, provided that any requirement for testing for infectious diseases and the resulting waiting time do not constitute a “quarantine requirement”. There is a “quarantine requirement” even if the quarantine or isolation shall be at the foreigner’s accommodation of choice or residence.

Any additional payment under this Section 3(d) shall apply and become due starting only on the date falling one (1) month following the effectivity of the issuance by the Government Authority lifting the inbound international travel restrictions for all foreigners.

(i) If the lifting of inbound international travel restrictions for foreigners only takes effect or occurs for part of a month, the additional amount for the month under this Section 3(d) shall be pro-rated based on the number of whole days (24 hours) in the month the restriction on inbound international travel for all foreigners was applicable, divided by the total number of days of the month.

(ii) Any subsequent government issuance which imposes any restriction on inbound international travel for foreigners due to the COVID-19 pandemic shall result in [***] under this Section 3(d) for the month during which the restriction is applied. If the subsequent restriction affects only part of a month, the [***] under this Section 3(c) shall be pro-rated based on the number of whole days (24 hours) in the month the restriction on inbound international travel for foreigners was applicable, divided by the total number of days of the month. In the event any issuance of a Government Authority suspends the operations of COD Manila through no fault of the Lessee, the Lessee shall not be liable to pay any Rent during the period such issuance remains effective. If the suspension is lifted, but COD Manila is only allowed to open at 30% operating capacity or less, the above provisions shall apply.

e. For greater certainty, the maximum rent payable under this Section 3 is [***]% of the Monthly Rent.

f. In the event of closure or suspension of the operations of COD Manila due to the fault or sole discretion of the Lessee, the Lessee shall continue to be liable to pay the Monthly Rent in accordance with this Section 3.

Section 4. Adjustments Cumulative

The Parties agree that the adjustments provided in Section 3 shall be cumulative and not exclusive. Any applicable adjustments indicated in Section 3 for any given month shall accrue in favor of the Lessor and be added to the Reduced Monthly Rent. To the extent any conditions in Section 3 are in effect for portion of any rental period, the amount shall be pro-rated as provided in Section 3.

Section 5. Effectivity and Term

The Lessee affirms and acknowledges that during the period of the COVID 19 Pandemic up to the date of this Agreement, the Lessor has continued to respect and showed good faith, and has not performed any action to disrupt or contravene the Lessee’s lease and possession of the Leased Premises. The Parties agree that the arrangements embodied in this Agreement shall be effective immediately and apply only to the calendar years 2020 and 2021.

Section 6. Consequence of Modification

The Parties agree that during the effectivity of this Agreement, the Lease Agreement shall be deemed modified as provided here. Except as provided in this Agreement, all other provisions and terms of the Lease Agreement shall remain in full force and effect. This Agreement amends, modifies and supplements the Lease Agreement and shall be fully incorporated into and subject to the terms and provisions thereof other than as such terms and provisions thereof have been modified by this Agreement.

Section 7. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines.

Section 8. Dispute Resolution

Any dispute arising from or related to this Agreement (including as to its existence, breach or termination), will be resolved through Arbitration, and in accordance with the procedure stipulated in Section 13.06 of the Lease Agreement.

Section 9. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. Each Party may execute this Agreement by signing any such counterpart.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized signatories on the date and at the place first above written.

BELLE CORPORATION

By:

/s/ WILLY N. OCIER

Name: **WILLY N. OCIER**
Position: Chairman

ACKNOWLEDGMENT

Republic of the Philippines)
City of _____) S.S.

BEFORE ME, a Notary Public for and in _____ this _____ personally appeared before me the following:

Name	I.D.	Date/Place Issued
Willy N. Ocier		

both known to me as the same person who executed this foregoing instrument and he acknowledged to me that the same is his own true and voluntary act and deed and that of the principal and company/firm he represents.

WITNESS MY HAND AND SEAL this _____ day of _____, at _____, Philippines.

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2021.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized signatories on the date and at the place first above written.

MELCO RESORTS LEISURE (PHP) CORPORATION

By:

/s/ CLARENCE YUK MAN CHUNG

Name: **CLARENCE YUK MAN CHUNG**
Position: President

ACKNOWLEDGMENT

Republic of the Philippines)
City of _____) S.S.

BEFORE ME, a Notary Public for and in _____ this _____ personally appeared before me the following:

Name	I.D.	Date/Place Issued
Clarence Yuk Man Chung		

both known to me as the same person who executed this foregoing instrument and he acknowledged to me that the same is his own true and voluntary act and deed and that of the principal and company/firm he represents.

WITNESS MY HAND AND SEAL this _____ day of _____, at _____, Philippines.

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2021.

SCHEDULE 1
2021 MONTHLY RENT

	MONTHLY RENT
Gaming	
Phase 1	[***]
Phase 2	[***]
Total Gaming Rent	**[***]**
Non-Gaming	
Phase 1	[***]
Phase 2	[***]
Land	[***]
Total before VAT sharing	**[***]**
Less: VAT sharing	[***]
Total Non-gaming rent	**[***]**
Total Monthly Rent	**[***]**

Exhibit 8.1

Melco Resorts & Entertainment Limited
List of Significant Subsidiaries
As of December 31, 2020

1. COD Resorts Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
2. MCO (NEA) Holdings Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
3. MCO (KittyHawk) Investments Limited, incorporated in the Cayman Islands
4. MCO Cotai Investments Limited, incorporated in the Cayman Islands
5. MCO Holdings Limited, incorporated in the Cayman Islands
6. MCO International Limited, incorporated in the Cayman Islands
7. MCO Investments Limited, incorporated in the Cayman Islands
8. MCO Nominee One Limited, incorporated in the Cayman Islands
9. Melco Resorts (Macau) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
10. Melco Resorts Finance Limited, incorporated in the Cayman Islands
11. MSC Cotai Limited, incorporated in the British Virgin Islands
12. SCP Holdings Limited, incorporated in the British Virgin Islands
13. SCP One Limited, incorporated in the British Virgin Islands
14. SCP Two Limited, incorporated in the British Virgin Islands
15. Studio City Company Limited, incorporated in the British Virgin Islands
16. Studio City Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
17. Studio City Finance Limited, incorporated in the British Virgin Islands
18. Studio City Holdings Limited, incorporated in the British Virgin Islands
19. Studio City Holdings Two Limited, incorporated in the British Virgin Islands
20. Studio City International Holdings Limited, incorporated in the Cayman Islands
21. Studio City Investments Limited, incorporated in the British Virgin Islands

Exhibit 12.1

Certification by the Chief Executive Officer

I, Lawrence Yau Lung Ho, certify that:

1. I have reviewed this annual report on Form 20-F of Melco Resorts & Entertainment Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 31, 2021

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Chairman and Chief Executive Officer

Exhibit 12.2

Certification by the Chief Financial Officer

I, Geoffrey Stuart Davis, certify that:

1. I have reviewed this annual report on Form 20-F of Melco Resorts & Entertainment Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 31, 2021

By: /s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Melco Resorts & Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence Yau Lung Ho, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2021

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Chairman and Chief Executive Officer

Exhibit 13.2

Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Melco Resorts & Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Geoffrey Stuart Davis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2021

By: /s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Chief Financial Officer

Exhibit 15.1

31 March 2021 Our Ref: JT/MK/M6207-S10414

The Board of Directors
Melco Resorts & Entertainment Limited
c/o Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay
Grand Cayman KY1-9005
Cayman Islands

Dear Sirs

FORM 20-F

We consent to the reference to our firm under the heading “Board Practices”, the heading “Documents on Display” and the heading “Corporate Governance” in the Annual Report on Form 20-F of Melco Resorts & Entertainment Limited for the year ended 31 December 2020, which will be filed with the U.S. Securities and Exchange Commission (the “Commission”) on 31 March 2021 under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under the Exchange Act, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ WALKERS
WALKERS (HONG KONG)

Exhibit 15.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-143866) pertaining to the 2006 Share Incentive Plan of Melco Resorts & Entertainment Limited, and
2. Registration Statement (Form S-8 No. 333-185477) pertaining to the 2011 Share Incentive Plan of Melco Resorts & Entertainment Limited;

of our reports dated March 31, 2021, with respect to the consolidated financial statements of Melco Resorts & Entertainment Limited, and the effectiveness of internal control over financial reporting of Melco Resorts & Entertainment Limited, included in this Annual Report (Form 20-F) of Melco Resorts & Entertainment Limited for the year ended December 31, 2020.

/s/ Ernst & Young
Hong Kong
March 31, 2021