



## **PALASINO HOLDINGS LIMITED**

**百樂皇宮控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(the “Company”)**

**(Stock Code: 2536)**

### **REMUNERATION COMMITTEE**

**(the “Committee”)**

#### **Terms of Reference**

##### **Objective**

1. The objective of the Committee is to assist the Board of Directors (the “**Board**”) of the Company in determining the remuneration policy of the Company.

##### **Composition**

2. The Committee shall consist of not less than three members appointed from time to time by the Board.
3. The majority of the members shall be independent non-executive directors, each of whom shall meet and maintain the independence requirements published from time to time by The Stock Exchange of Hong Kong Limited, The Securities and Futures Commission of Hong Kong and/or as required by law.<sup>1</sup>
4. The Board shall nominate one member who is an independent non-executive director to be the Chairman of the Committee.<sup>2</sup>
5. The Company Secretary or his nominee shall act as the Secretary of the Committee.

##### **Frequency and proceedings of meetings**

6. The Committee shall meet at least twice annually. Additional meetings shall be held as the work of the Committee demands.
7. The Chairman of the Committee may convene additional meetings at his discretion.
8. Meetings shall be held in person or by telephone or other means of communication which allows those participating to hear and speak to each other.

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<sup>1</sup> Listing Rule 3.25

<sup>2</sup> Listing Rule 3.25

9. Except in case of emergencies, all papers for the meeting shall be sent to all Committee members at least three days before the meeting.
10. The quorum for the meetings shall be two members and one of which should be an independent non-executive director. Unless varied by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's articles of association regulating the meetings and proceedings of the directors of the Company.
11. The Chairman or, in his absence, a member designated by him shall preside at the meetings of the Committee.

### **Information**

12. The Committee may seek information from management and invite them to attend the meetings of the Committee.

### **Minutes of meetings**

13. Full minutes of the meetings of the Committee shall be kept by the Secretary of the Committee. Draft and final versions of minutes of the Committee meetings shall be sent to all members of the Committee for their comment and records respectively at any reasonable time after the meeting. The Secretary shall circulate the final version of minutes of meetings of the Committee to all members of the Board.

### **Reporting Responsibilities**

14. The Chairman of the Committee shall report formally to the Board on its proceedings decisions and recommendations after each meeting on all matters within its duties and responsibilities unless there are legal or regulatory restrictions on the Committee's ability to do so.<sup>3</sup>
15. The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its scope of duties where action or improvement is needed.

### **Annual General Meeting**

16. The Chairman of the Committee or in his absence, another member of the Committee or failing that his duly appointed delegate shall attend the annual general meeting of the Company so as to be available to answer questions from shareholders on matters within the scope of duties of the Committee.

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<sup>3</sup> Code Provision C.4.2

## Duties

17. The Committee shall carry out the following duties as required by the Board from time to time<sup>4</sup>:
- (i) make recommendations to the Board on the Company's policy and structure for all executive directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (iii) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (iv) make recommendations to the Board on the remuneration of non-executive directors;
  - (v) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
  - (vi) review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure it is consistent with contractual terms and is otherwise fair and not excessive;
  - (vii) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
  - (viii) ensure that no director or any of his associates is involved in deciding his own remuneration;
  - (ix) review and/or approve matters relating to share schemes in accordance with the Listing Rules;
  - (x) evaluate and assess its duties and terms of reference and recommend any proposed changes to the Board for consideration and approval;

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<sup>4</sup> Code Provision E.1.2

- (xi) form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are directors with material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote. An independent non-executive director who has material interest in any such contracts shall not attend the Committee meeting at which such service contract is considered<sup>5</sup>;
- (xii) be aware of and advise on any major changes in employee benefit structures throughout the Company;
- (xiii) ensure that all provisions regarding the disclosure of remuneration including pensions, as set out in the relevant provisions of the Listing Rules, are fulfilled; and
- (xiv) be responsible for establishing the selection criteria, selecting, appointing and setting the terms of references for any remuneration consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have the full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations.

### **Authority**

18. The Board authorises the Committee to:

- (i) investigate any matter within its terms of reference and seek any information it requires from any employee in order to perform its duties (all employees being directed to co-operate with any such request by the Committee); and
- (ii) to obtain, at the Company's expense, outside independent legal or other professional advice on any matter within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

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<sup>5</sup> Listing Rule 13.68