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)

NOMINATION COMMITTEE
(the "Committee")

Terms of Reference

1. Membership

1.1 The Committee shall be appointed by the board of directors of the Company (the "**Board**") which shall consist of not less than three (3) members and the majority of whom should be independent non-executive directors.[1]

1.2 At least one member of the Committee must be a director of the Company of a different gender.[2]

1.3 Only members of the Committee (and the Secretary of the Committee) have the right to attend Committee meetings. However, other individuals such as the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

1.4 Formal meetings of the Committee may be held by telephone or other communication which allows those participating to hear and speak to each other.

1.5 The Board shall appoint the chairman of the Committee (the "**Committee Chairman**") who shall be the chairman of the Board or an independent non-executive director and determine the period for which he will hold that office.[3] In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves, who should be the chairman of the Board or an independent non-executive director, to chair the meeting.

2. The Secretary

The company secretary of the Company shall act as the Secretary of the Committee.

3. Proceedings

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.

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[1] Listing Rule 3.27A

[2] Code Provision B.3.5

[3] Listing Rule 3.27A

4. Quorum

The quorum for the meetings shall be two members and one of which should be an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

Meetings of the Committee shall be held as and when appropriate, but at least once a year. The Committee Chairman or any other member may convene a meeting of the Committee whenever he or she considers it necessary or desirable.

6. Minutes of Meetings

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.

7. Annual General Meeting

The Committee Chairman 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 the shareholders of the Company on matters within the scope of duties of the Committee.

8. Duties

The duties of the Committee shall be to:

8.1 formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;

8.2 review the structure, size and composition (including but not limited to gender, age, cultural background, educational background, skills, knowledge, professional experience and/or length of service) of the Board at least annually, assist the board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy[4];

8.3 identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships based on merit against objective criteria and with due regard for the benefits of diversity on the Board[5];

[4] Code Provision B.3.1(a)
[5] Code Provision B.3.1(b)

8.4 assess the independence of independent non-executive directors, having regard to the requirements under the Listing Rules[6];

8.5 make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company[7];

8.6 support the Company's regular evaluation of the Board's performance[8]; and

8.7 review the Board Diversity Policy and the diversity policy of the workforce (including senior management) of the Company, as appropriate and make recommendations on any required changes for the Board's consideration and approval; to review the measurable objectives that the Board has set for implementing the Board Diversity Policy and the diversity policy of the workforce (including senior management) of the Company; to monitor the progress on achieving the objectives; and to make the relevant disclosure in the Corporate Governance Report[9].

9. Sufficient Resources

The Company shall provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.[10]

10. Reporting Responsibilities

10.1 The Committee Chairman 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.[11]

10.2 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.

11. Authority

The Board authorises the Committee to:

11.1 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

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[6] Code Provision B.3.1(c)
[7] Code Provision B.3.1(d)
[8] Code Provision B.3.1(e)
[9] Listing Rule 13.92
[10] Code Provision B.3.3
[11] Code Provision C.4.2

11.2 to obtain, at the Company's expense, outside 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.

12. Other

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.