

LUX ISLAND RESORTS LTD (LIR)

REMUNERATION COMMITTEE CHARTER

Establishment of a Remuneration Committee Charter

In accordance with the recommendations contained in the National Code of Corporate Governance 2016 (in force as from 1st July 2017), a Remuneration Committee Charter has been adopted on 30th September 2020 for the Company Lux Island Resorts Ltd and all its subsidiary Companies (refer to Annex 1).

1. Responsibilities, functions and duties of the Remuneration Committee

1.1 Responsibilities and functions

The Remuneration Committee will have the responsibility of recommending the conditions of employment of:

- The Chief Executive Officer
- The Executive Directors
- The Senior Cadres (defined below)

'Senior Cadre' means any employee of Lux Island Resorts Ltd (referred to as LIR) as per the definition below:

- Employees qualified as 'Executive Committee Members' and with a direct reporting line to the Chief Executive Officer
- Employees with a direct reporting line to the Chief Executive Officer and earning a basic monthly salary of Rs 150,000 and above for employees in post in Mauritius and a basic monthly salary of USD 6,500 or Euro 4,500 for employees working in overseas operations or offices.
- General Managers of the LIR hotels working in Mauritius and in overseas operations.

1.2 Duties

In accordance with the Code, the Remuneration Committee shall, inter alia:

- Have responsibility, subject to Board approval, for setting the remuneration structure and policy (as defined in Annex A), including pension rights and any compensation payments. The Chief Executive Officer, the Executive Directors and the Senior Cadres shall not be involved in any decisions as to their own remuneration;
- Recommend to the Board and monitor the level and structure of remuneration ;
- Take into account all factors which it deems necessary including relevant legal and regulatory requirements, the principals of the Code and associated guidance. The objective of the remuneration structure and policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary.. The remuneration structure and policy should have regard to the prevailing market conditions and alignment to the Company's long term strategic goals;
- When setting the remuneration structure and policy, review and have regard to pay and employment conditions across the Company and in accordance with the industry;
- Review regularly the appropriateness and relevance of the remuneration structure and policy;

- Within the terms of the agreed remuneration structure and policy and in consultation with the Chairperson and the CEO, as appropriate, and in accordance with the industry, propose the total individual remuneration package including bonuses and short term and long term incentive payments;
- Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
- Approve the design of, and determine targets for, any short term or long term incentive schemes operated by the Company and approve the total annual payments made under such schemes;
- Review and determine the design of any short term or long term incentive plans for approval by the Board.
- Determine the policy for, and scope of, pension arrangements.;
- Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- Oversee any major changes in employee benefits structure throughout the Company or group;
- Agree the policy for authorizing claims for expenses occurred in the course of the employment
- Work and liaise as necessary with all other Board committees.

2. Membership

- 2.1 The Committee shall be composed of a minimum of 3 directors and of a maximum of 5 directors with a majority of independent directors. The Chairperson of the Committee shall be an independent director. Members of the committee shall be appointed by the Board of directors (referred to as 'the Board'), on the recommendation of the Corporate Governance and Nomination Committee and in consultation with the Chairperson of the Remuneration Committee.
- 2.2 Only members of the committee have the right to attend committee meetings. The CEO is invited at each of the committee meetings. Other individuals and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3 Appointments to the committee are made by the Board and shall be for a period of up to three years extendable.
- 2.4 The Board shall appoint the committee Chairperson who shall be an independent director. In the absence of the committee Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairperson of the Board shall not be Chairperson of the committee.

3. Secretary

The Company Secretary or his or her nominee shall act as the Secretary of the Committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Quorum

The quorum necessary for holding a meeting shall be 2 if the committee is composed of 3 or 4 directors. The quorum shall be fixed to 3 if the committee is composed of 5 directors.

5. Meetings

- 5.1 The Committee shall meet at least twice a year and more frequently as required.
- 5.2 The notice of each meeting of the committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the committee, as far as possible, not less than five working days prior to the date of the meeting.
- 5.3 The committee shall normally invite the Chairperson of the Board (in case the latter is not a member of the committee) and the Chief Executive Officer to attend meetings to discuss the performance of the Senior Cadres and to make proposals as necessary.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairperson.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, as far as possible, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of meetings

- 7.1 The Secretary or his or her nominee shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes may be circulated to all other members of the Board upon request unless in the opinion of the Chairperson of the Board it would be inappropriate to do so.

8. Reporting responsibilities

- 8.1 The committee Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The committee shall make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.
- 8.3 The committee shall ensure that provisions regarding disclosure of information are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the annual report. If the committee has appointed remuneration consultants, the annual report of the Company's remuneration structure and policy should identify such consultants and state whether they have any other connection with the Company.

9. Remuneration

- 9.1 Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, the Chairperson and the members of the Committee are paid a special remuneration in respect of their appointment as shall be fixed by the Board. This special remuneration is in addition to the annual fees payable to directors.

- 9.2 The Chairperson of the Committee shall, in addition, to his or her remuneration as a member, receive a further sum as determined by the Board.

10. Other matters

The Committee shall:

- 10.1 Have access to outside or other independent professional advice as it considers necessary to carry out duties
- 10.2 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 10.3 Be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members
- 10.4 Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration.
- 10.5 Arrange for periodic reviews of its own performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

ANNEX A – REMUNERATION STRUCTURE AND POLICY

Remuneration structure policy

This remuneration structure and policy is only applicable to new employment agreements entered into between the company, the Chief Executive Officer, the Executive Directors and the Senior Cadres (as per the definition contained in the Remuneration Committee Charter), and therefore employment agreements may exist that do not fully conform with the guidelines currently in force.

The objective of this remuneration structure and policy is to establish a formal and transparent procedure on the remuneration of the Chief Executive Officer, the Executive Directors and the Senior Cadres.

The following remuneration structure and policy apply for remuneration and other terms of employment within the Group, being understood that none of the Chief Executive Officer or the Executive Directors or the Senior Cadres should be involved in deciding their own remuneration. The Company shall disclose its remuneration structure and policy, and the procedures for setting remuneration, in the Annual Report, with the objective to enable investors and stakeholders to understand the link between remuneration paid and performance.

Structure for the remuneration

The remuneration structure and policy has the objective of offering a total remuneration in line with market conditions to enable the Company to recruit and retain the talent and skills the Company needs to meet its short-term and long-term targets. The remuneration may consist of fixed salary, variable bonuses, short term and long term incentives and other benefits.

Fixed salary

The fixed salary shall be in line with market conditions and mirror the demands and responsibility that the position entails as well as individual performance. The fixed salary is revised on a regular basis.

Variable Bonuses

The variable bonuses shall be based on the Company's fulfillment of objectives determined in advance. These objectives are determined for the promotion of the Company's/the group's short-term and long-term targets, long-term development, value creation and financial growth.

Executive long term incentive Scheme

The Committee may recommend to the Board the implementation of an executive long term incentive scheme and the terms and conditions are reviewed annually.

The objective of this scheme is to create a long-term commitment to the Company, to attract and retain key employees in alignment with shareholders' interests. The scheme shall constitute a complement to the fixed salary and the variable salary, with participants to be nominated based on, among other things, competence and performance.

Other benefits and compensation

Other compensation may consist of other benefits that are customary and in line with market conditions, such as healthcare insurance, which shall not constitute a material portion of the total remuneration. In addition thereto, additional compensation may be paid out in extraordinary circumstances, provided that such arrangement is made for management recruitment or retention purposes and is agreed on an individual basis. Such extraordinary arrangements may for example include a one-time cash payment, or a support package including relocation support, tax filing support, or similar.

All these other benefits and compensation shall be submitted to the Remuneration Committee for prior approval.

Deviation from the Policies

The Board of Directors may resolve to deviate from the policies if the Board of Directors, in an individual case, is of the opinion that there are special circumstances justifying that.

ANNEX 1 :

Company : Lux Island Resorts Ltd

Subsidiaries

- Beau Rivage Co Ltd
- LIR Properties Ltd
- Blue Bay Tokey Island Limited
- Les Pavillons Resorts Ltd
- MSF Leisure Company Ltd
- FMM Limitée
- LTK Ltd
- Néréide Limited
- Océanide Limited
- Holiday & Leisure Resorts Limited
- Merville Beach Hotel Ltd
- Merville Limited
- Lux Island Resorts Foundation
- Naiade Holidays (Proprietary) Limited
- Lux Island Resorts Maldives Ltd
- White Sands Resort & Spa Pvt Ltd
- Les Villas du Lagon SA
- Hotel Prestige Réunion SAS
- And any other future subsidiaries of Lux Island Resorts Ltd