

LUX ISLAND RESORTS LTD

CORPORATE GOVERNANCE COMMITTEE CHARTER (CGC)

Establishment of a CGC Charter

In accordance with the recommendations contained in the National Code of Corporate Governance 2016 (the “Code”), the board of directors (the “Board”) of Lux Island Resorts Ltd (the “Company”) has, pursuant to article 17 of the constitution of the Company (the “Constitution”), constituted and established a Corporate Governance Committee(the “Committee”) to which the Board has delegated its powers, authority and responsibilities described in this charter (this “Charter”).

The Company had previously 2 separate committees, the Corporate Governance and Nomination Committee and the Remuneration Committee. In April 2023, it was decided to merge the 2 abovementioned Committees to form the Remuneration, Nomination, Corporate Governance and Ethics Committee. In October 2023, it was decided to rename the Committee as the Corporate Governance Committee. The purpose of this merger is to deal with the various matters in a more efficient and proactive manner.

This Charter was approved by the Board on 19 January 2024 and applies to the Company and its subsidiaries named in Annex 1 hereto (the “Subsidiaries”).

Definition :

In this Charter, the ‘Senior Cadre; is defined as per below :

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

- The Chief Executive Officer (CEO) of the Company
- Employees qualified as ‘Executive Committee Members’ and with a direct reporting line to the CEO
- Employees with a direct reporting line to the CEO 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.
- General Managers of the LIR hotels working in Mauritius and overseas.

1. Membership

- 1.1 The Committee shall comprise of min 3 and max 5 persons, who shall be directors of the Company (the “Directors”). The Chairperson shall be an Independent Director and shall be conferred a casting vote.
- 1.2 Only Directors appointed as members of the Committee (“Committee Members”) have the right to attend and vote at meetings of the Committee (“Committee Meetings”). However, other persons such as the CEO, external advisers of the Company or any other persons deemed appropriate may be invited to attend all or part of any Committee Meetings, as and when appropriate and necessary, but not vote.

- 1.3 Appointment of Committee Members is made by the Board and is for a period as defined and decided by the Board, but membership shall stop immediately in case any member cease to be a director.
- 1.4 The Board shall appoint the Committee Chairperson who shall at all times be an independent Director. In the absence of the Committee Chairperson, the remaining Committee Members present shall elect one (1) member to chair the Committee Meeting.

2. Secretary

The Company Secretary or the Authorised Meeting Secretary, shall act as the Secretary of the Committee. The notice of meeting and minutes of meeting shall be signed by the Company Secretary or the Authorised Meeting Secretary.

3. Quorum

The quorum necessary to hold a Committee Meeting shall be a majority of the Committee Members, of whom one shall be an independent director.

4. Frequency of meetings

The Committee shall meet at least three times a year.

5. Notice of meetings

- 5.1 Committee Meetings shall be called by the Company Secretary or the Authorised Meeting Secretary at the request of the Committee Chairperson.
- 5.2 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 of the Committee Members no later than five (5) working days before the date of the meeting. Supporting papers shall be sent to Committee Members at the same time.

6. Minutes of meetings

- 6.1 The Company Secretary or the Authorised Meeting Secretary shall minute the proceedings and resolutions of all Committee Meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Committee Meetings shall be circulated promptly to all Committee Members.

7. Annual Meeting

The Committee Chairperson shall endeavor to attend the annual meeting to answer any questions from the shareholders of the Company with regards the Committee's activities.

8. Duties

8.1 Corporate Governance and Ethics related to Board Members

The Committee shall carry out its duties under this Charter and shall, inter alia:

- Determine, agree and make recommendations to the Board, on all aspects of corporate governance provisions to be followed by the Company and its Subsidiaries hereafter referred to as the Group, so that the Board remains effective while complying with sound and recommended corporate practices and principles in accordance with the recommendations of the Code;
- Develop and recommend to the Board a corporate governance framework and a set of corporate governance guidelines and review and evaluate the implementation of the corporate governance guidelines within the Group;
- Periodically review and evaluate the effectiveness of the Company's Code of Ethics;
- Review the position descriptions of the chairperson of the Board, and Board committees' chairs and recommend any amendments to the Board;
- Review and recommend the implementation of structures and procedures to facilitate the Board's independence from the management of the Company;
- Prepare the corporate governance report to be approved by the Board and published in the annual report of the Company;
- Review annually the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regards to any changes;
- Give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- Make recommendations to the Board with respect to the size and composition of the committees of the Board, as well as on the frequency, structure and functioning of Board meetings and Board committee meetings;
- Oversee the evaluation process of the Board as a whole, the Board committees and individual Directors; If the evaluation is being conducted internally, oversee Board performance and report at least every 2 years to the Board with an assessment of the Board's performance;
- Periodically receive a report from legal counsel or chief compliance officer or company secretary or chief governance officer, as the case may be, on compliance issues;
- Ensure that an adequate process is in place to comply with its charter and the applicable laws;
- Be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- Before any appointment is proposed to the Board and in collaboration with the chairperson of the Board, evaluate the balance of skills, knowledge, experience, and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- Prior to the appointment of a Director, ensure that the proposed appointee receives an appointment letter and discloses any other personal or business interests in accordance with the conflicts of interest questionnaire;

- Recommend to the Board the remuneration of the non-executive directors for the next financial year for approval at the Annual Meeting of Shareholders;
- Work and liaise as necessary with all other Directors.

8.2 Remuneration related to the CEO and the Senior Cadres

The Committee will have the responsibility of recommending the conditions of employment of the CEO and the Senior Cadres.

The Committee shall carry out its duties under this Charter and shall, inter alia:

- Have responsibility, subject to Board approval, for setting the remuneration structure and policy (as defined in Annex 3), including pension rights and any compensation payments. The CEO and the Senior Cadres shall not be involved in any decisions as to their own remuneration;
- Within the terms of the agreed remuneration structure and policy, and in accordance with the industry norms, approve and review the remuneration package including any short term incentive or long term incentive for the CEO and the Senior Cadres.

9. Compliance with Laws and Regulations

The Committee shall give due consideration to laws and regulations, the Code, the SEM Listing Rules and any other applicable rules, as appropriate.

10. Reporting responsibilities

- 10.1 The Committee Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a corporate governance report to be approved by the board and included in the annual report as specified at clause 8.1.

11. Committee Fee

The Committee Chairperson and each member of the Committee shall be paid a fee per year. This fee is subject to regular review as the Committee shall deem fit and shall be recommended to the Board for approval at the next Annual Meeting of Shareholders.

12. Other matters

The Committee shall:

- (i) Have access to sufficient resources in order to carry out its duties, including access to the Company's secretariat for assistance as required;

- (ii) Be provided with appropriate and timely training, both in the form of an induction program for new Directors and on an ongoing basis for all Directors;
- (iii) Arrange for periodic reviews of its own performance and at least bi-annually, review this Charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. Authority

The Committee is authorized by the Board, to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

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
- LIRCO Sarl Ltd
- And any other future subsidiaries of LUX Island Resorts Ltd

ANNEX 2

CONFLICT OF INTERESTS GUIDELINES

PRIOR TO THE APPOINTMENT OF A DIRECTOR

- A conflict-of-interest questionnaire is remitted to the proposed director prior to his appointment. This document is sent and reviewed by the Corporate Governance Committee before the appointment of the director is submitted to the Board for approval.

AFTER APPOINTMENT AS DIRECTOR

- A Letter of appointment together with a conflict-of-interest questionnaire are remitted annually to each director, after their re-election at the Annual Meeting of Shareholders.
- The conflict-of-interest questionnaire is reviewed every year by the Corporate Governance Committee and appropriate action or recommendations are made as the case may be to the Director and/or to the Board.
- At each Board Meeting, the first item on the agenda is the declaration of interest by the directors based on the items of the agenda. Disclosure of interest by the directors can also be made during the course of the Board Meeting. All disclosure of interests are minuted.
- All disclosure of interests made shall remain valid for subsequent meetings.
- Where a director finds himself in a situation where he is constantly conflicted and therefore cannot participate on the related items on the agenda, he shall meet the Chairperson to discuss same.
- The Chairperson may seek the advice of the Corporate Governance Committee to assess if the director is fit and proper to continue sitting on the Board.
- In case of doubt about a situation of potential conflict of interest, the director shall disclose same to the Chairperson who will take appropriate action and/or recommendation.

ANNEX 3 –

REMUNERATION STRUCTURE AND POLICY

Remuneration structure policy

This remuneration structure and policy is applicable to employment agreements entered into between the company, the CEO and the Senior Cadres.

The objective of this remuneration structure and policy is to establish a formal and transparent procedure on the remuneration of the CEO 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 CEO 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 Committee for prior approval.