

# **LUX ISLAND RESORTS LTD - BOARD CHARTER**

## **1. Introduction**

### **1.1 Establishment of a Board Charter**

In accordance with the recommendation contained in the National Code of Corporate Governance 2016 (The Code), a Board Charter has been adopted for Lux Island Resorts Ltd and its subsidiaries as defined in Annex 1 and is reviewed annually.

### **1.2 Complementary to Law and Articles**

These provisions are complementary to the requirements regarding the Board and Board members contained in Mauritian legislation and regulations, the Constitution of the company and the provisions governing the relationship between the committees and the Board as contained in the charters of the committees.

### **1.3 Charter on Website**

This charter is posted on the company's website.

## **2. Composition of the Board, Positions, Committees**

### **2.1 Board Profile, Size, Expertise and Independence**

#### **(a) Board profile**

The Board, in consultation with its Corporate Governance Committee (CGC), shall prepare a profile of its size and composition, considering the nature of the company's business and its subsidiaries, and the desired expertise and background of the Board members (also referred to as the 'Board Profile').

#### **(b) Number of Members**

After consultation with the CGC and in accordance with the Constitution of the company, the Board determines the number of Board members. The Board shall have a minimum of 2 and a maximum of 12 members.

#### **(c) General Composition**

The Board shall use its best efforts to ensure that :

- (i) Its members can think and act independently of one another;
- (ii) Each Board member can assess the broad outline of the company's overall activity;
- (iii) Each Board member has sufficient expertise to perform his or her duties and obligations as a Board member;
- (iv) The Board composition matches the desired Board Profile;

- (v) At least one Board member is a financial expert, meaning he/she has the expertise in financial administration and accounting for companies similar to the company in size and sophistication;
- (vi) As far as possible, at least one Board member is a hotel industry expert;
- (vii) No less than 2 of the Board members are independent as per the definition of the Companies Act 2001, and
- (viii) The gender diversity required by law is complied with at all times except in case of force majeure.

## **2.2 (Re) Appointment, Term of Office, Resignation**

### **(a) Election by Shareholders**

The general meeting of shareholders elects members of the Board.

### **(b) Substance of Nomination and Recommendations**

A nomination or recommendation to the general meeting of shareholders for a candidate for the Board shall state any relevant information to assess his or her suitability as a member of the Board.

The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board for appointment or reappointment of a Board member must be in accordance with this charter.

### **(c) Re-election**

Before recommending a member of the Board for re-election, the Board must carefully consider his or her past performance on the Board.

## **2.3 Chairperson**

### **(a) Election**

The Board shall elect a Chairperson from among its members except amongst the executive directors.

### **(b) Duties**

The Chairperson of the Board is primarily responsible for the conduct of the activities of the Board including the items to be included in the agenda of the Board Meetings. He/she shall act as the spokesman for the Board and is the principal contact for the Chief Executive Officer (CEO). The CEO and the Chairperson of the Board shall meet regularly. The Chairperson of the Board presides over the general meeting of shareholders.

### **(c) Responsibilities**

The Chairperson has the responsibility, inter alia, to ensure that:

- (i) The Board satisfies its duties;
- (ii) Board members, when appointed, participate in an induction program and, as needed, in supplementary training programs;

- (iii) The Board members receive all information necessary for them to perform their duties;
- (iv) The agendas of Board meetings are determined;
- (v) The Board meetings are chaired in an effective manner;
- (vi) The Board has sufficient time for consultation and decision-making;
- (vii) Minutes of Board and committee meetings are kept;
- (viii) The committees function properly;
- (ix) The performance of the Board members is evaluated every two year;
- (x) Internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed; and
- (xi) The Board has proper contact with the Executives of the Company

## **2.4 Company Secretariat**

### **(a) Company Secretariat**

The Company Secretary and the Authorised Meeting Secretary (collectively referred to as 'The Company Secretariat) assist the Board.

### **(b) General Access**

All Board members may go to the Company Secretariat for advice or to use its services.

### **(c) Responsibilities**

The Company Secretariat sees to it that the Board follows correct procedures and that the Board complies with its obligations under law and the company's constitution. The Company Secretariat shall assist the Chairperson of the Board in organizing the Board's activities including but not limited to providing information, preparing an agenda, reporting of contents of meetings and preparing evaluations and training programs.

## **2.5 Committees**

### **(a) Establishment of Committees**

The Board shall establish Board Committees to perform specific tasks. The Board shall determine the composition of each committee. The Board shall establish an Audit & Risk Committee (ARC) and a Corporate Governance Committee (CGC).

### **(b) Board Responsibility for Committee Action**

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

### **(c) Committee Reporting**

Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all committee meetings and records. The Board shall, as set forth in the charter of the committee concerned, receive a report from the committee describing the committee's actions and findings.

(d) Committee Charters

The Board shall establish (and may amend) charters for each committee. The charters shall indicate the role and responsibilities of the committee, its composition and how it should perform its duties.

(e) Website Disclosure

The charters and the composition of the committees shall be posted on the company's website.

**3. Duties and Powers of the Board**

**3.1 General Duties and Powers**

(a) General Responsibilities

The Board oversees the general business of the company. The entire Board is responsible for such supervision and oversight. The primary responsibility of the Board is to supervise the management of the company so as to foster long-term success of the company, consistent with the Board's responsibility to the shareholders to maximise shareholder value.

Any responsibility not delegated to management or a committee of the Board remains with the Board.

The Board has, inter alia, the responsibility to:

- (1) appoint the Chief Executive Officer (CEO) and provide advice and counsel to the CEO in the execution of his duties;
- (2) approve the contract of the CEO;
- (3) in collaboration with the CGC:
  - a. evaluate the CEO's performance at least annually against agreed upon written objectives and determine and approve the CEO's compensation level based on this evaluation;
  - b. approve a comprehensive statement of compensation philosophy, strategy, and principles for the executives;
  - c. satisfy itself as to the integrity of the CEO and other executive officers and satisfy itself that the CEO and other executive officers are creating a culture of integrity throughout the company;
  - d. approve certain decisions relating to senior management, including the:
    - appointment and discharge of senior executive officers
    - compensation and benefits for senior executive officers
    - acceptance by the CEO of any outside directorships on public companies or any significant public service commitments;
    - employment, consulting, retirement and severance agreements, and other special arrangements proposed for executive officers;
- (4) ensure that succession planning and management development programs are in place for the CEO and other senior managers;

- (5) at least annually, participate and approve with management the company's strategic plan, taking into account, the opportunities and risks of the company's business;
- (6) approve the annual business plans in accordance with the strategic plan;
- (7) approve annual capital and operating budgets that support the company's ability to meet its strategic objectives;
- (8) approve the company's political donations policy;
- (9) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the company;
- (10) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- (11) approve material disinvestments and acquisitions;
- (12) monitor the execution by management of the company's strategic objectives as approved by the Board;
- (13) conduct periodic reviews of human, technological and capital resources;
- (14) review, recent developments that may affect the company's strategy, and advise management on emerging trends and issues;
- (15) to consider and comment management's analysis of the strategies of competitors or quasi-competitors;
- (16) through its Audit & Risk Committee, take reasonable steps to ensure the integrity and effectiveness of the company's internal control and management information systems, including the evaluation and assessment of information provided by management and others (internal and external auditors, etc);
- (17) review operating and financial performance against budgets and objectives;
- (18) approve the annual financial statements & notes thereto, management's discussion & analysis of financial condition and results of operations contained in the annual report;
- (19) declare dividends;
- (20) approve financings, changes in share capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, and related prospectuses and particulars;
- (21) subject to confirmation by the shareholders of the company at each annual meeting, appoint external auditors for the company and fix the auditor's fees for audit services;
- (22) approve all resolutions as required by the banks and other regulatory bodies and significant changes in respect thereof;
- (23) approve appointments of, or material changes in relationships with legal and other advisers;
- (24) approve significant contracts, transactions, and other arrangements or commitments that may be expected to have a material impact on the company;
- (25) approve the commencement or settlement of litigation that may be expected to have a material impact on the company;
- (26) through its Audit & Risk Committee, ensure that management identifies the principal risks of the company's business and implements appropriate systems to manage these risks;
- (27) review coverage, deductibles and key issues regarding corporate insurance policies;

- (28) receive, at least annually, reports from management on matters relating to, among others, ethical conduct, environmental management, and employee health and safety;
- (29) understand the principal risks associated with the company's business and review whether the company achieves a proper balance between risks and returns;
- (30) develop the company's approach to corporate governance;
- (31) review compliance with the significant policies and procedures by which the company is operated;
- (32) direct management to ensure that the company operates at all times within applicable laws and regulations;
- (33) review significant new corporate policies or material amendments to existing policies;
- (34) adopt a communication or disclosure policy for the company and ensure that the company has in place effective communication processes with shareholders and other stakeholders and with financial, regulatory and other institutions and agencies;
- (35) approve interaction with shareholders on all items requiring shareholder approval;
- (36) approve the content of the company's major communications to shareholders and the investing public, including the annual report;
- (37) take reasonable steps to ensure that the financial performance of the company is accurately and fairly reported to shareholders, the investing public and regulators on a timely and regular basis, and in accordance with generally accepted accounting principles;
- (38) ensure the timely reporting of any other developments that have a material impact on the company;
- (39) report annually to shareholders on the Board's stewardship for the preceding year (annual report);
- (40) direct management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained;
- (41) approve changes in the Constitution, matters requiring shareholder approval and agendas for shareholder meetings;
- (42) approve the company's legal structure and name;
- (43) perform such other functions as may be necessary or appropriate in the circumstances for the performance of their responsibilities.

(b) *The Board acts in the Interest of the company*

The Board and each individual director shall act at all times in the best interests of the company and its business, taking into consideration the interests of the company's shareholders and other stakeholders.

(c) *Quality of Performance*

The Board is responsible for the quality of its own performance.

(d) *Provision of Information*

The Chairperson, the Company Secretariat and the CEO shall see to it that the management, in a timely manner, provides the Board and its committees with the information they need to properly function.

(e) Responsibility for Securing Information

The Board and its individual members have the responsibility for obtaining all information needed to carry out their duties from the management and the internal and external auditors. If the Board thinks it is necessary, it may obtain information from officers and external advisers of the company. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

(f) Access to Records

Each member of the Board has access to the books and records of the company, if useful to perform his or her duties. Unless the charter of a committee states otherwise, Board members shall consult with the Chairperson of the Board and the Company Secretariat before exercising their rights under this provision.

(g) Use of Experts

The Board may hire experts to assist or advise them if the Board thinks it is necessary. The cost of such experts shall be agreed to by the Board and shall be paid by the company.

**3.2 Duties regarding the supervision of Management**

(a) Nature of Supervision

In supervising the management, the Board shall consider:

- (h) The achievement of the company's objectives;
- (ii) The strategy and risks in the company's activities;
- (iii) The structure and operation of the internal risk management, and audit and control systems;
- (iv) The financial reporting process;
- (v) Compliance with law and regulations; and
- (vi) Any other matters the law requires the Board to consider.

(b) Financial Reporting

The Board supervises the company's financial reporting in accordance with Section 4 below.

(c) Annual Risk Review

At least once a year, the Board shall discuss the company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

**3.3 Duties and performance of the Board**

(a) Duties of the Board

The duties of the Board (in consultation with the appropriate Board committees) in relation to the members of the Board include but is not limited to:

- The nomination of members of the Board (the appointment is confirmed at the following general meeting of shareholders) and proposals to the general meeting of shareholders for the compensation of members of the Board;

- The appointment of a Chairperson of the Board, the establishment of committees and defining their roles, the evaluation of the performance of the Board, its individual members and its committees (including an evaluation of the Board profile and the induction, education and training program; and
- Addressing any conflicts of interest issues between the company and members of the Board.

(b) Board assessment

At least once every two years the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities, and the composition and collective competence of the Board and its committees.

**3.4 Certain other duties of the Board**

(a) Duties generally

The other duties of the Board shall include but is not limited to:

- duties regarding the external auditor as described in this Board Charter and the Audit & Risk Committee Charter; and
- other duties imposed by law, the company's constitution , this charter and the charter of a committee.

(b) Annual Report and Accounts

The Board shall draw up a report describing its activities in the financial year, and containing the statements and information required by law and the company's constitution.

**4. Supervision of Financial Reporting**

(a) General Supervision Responsibilities

The Board in consultation with the Audit & Risk Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly and semi-annual financial reports and any other financial information. The Board, through the Audit & Risk Committee, also supervises the internal control and audit mechanisms for external financial reporting.

(b) Discussion of Financial Reports

The Audit & Risk Committee shall regularly provide the Board with reports on the annual report and accounts, and the quarterly and semi-annual financial reports, which will then be discussed at a meeting of the Board. The annual report and accounts for the year just ended shall be discussed in a meeting with the Board within three months of the year end. The semi-annual and quarterly financial reports of the company for the respective period just ended shall be discussed in a meeting with the Board within 45 days of the end of the period.

(c) External Auditor

The Board shall ensure that the external auditor attends the Audit & Risk Committee at which the audit of the annual accounts is discussed, and at which the Audit & Risk Committee takes the decision to recommend the approval of the annual accounts to the

Board. The external auditor shall receive any financial information underlying the quarterly (if any) and/or semi-annual financial reports, and other interim financial reports, and shall be given the opportunity to respond to all information.

(d) *Audit & Risk Committee is Principal Contact with External Auditor*

The Board's principal contact with the external auditor is through the Chairperson of the Audit & Risk Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit & Risk Committee and the external auditor.

(e) *Recommendations by External Auditor*

The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the company's internal controls, as expressed in the 'management letter'.

**5. Duties regarding Nomination and Assessment of External Auditor**

(a) *Appointment of External Auditor*

The external auditor shall be appointed at the general meeting of shareholders. The Board shall nominate a candidate for this appointment to the general meeting of shareholders based on an open, transparent and competitive selection process, and may recommend replacement of the external auditor. The Audit & Risk Committee shall advise the Board on such matters.

(b) *Compensation of External Auditor*

The compensation of the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board on the recommendation of the Audit & Risk Committee, thus ensuring for the auditor's independence and subsequently approved at the general meeting of shareholders.

(c) *Reports to the Board*

The Audit & Risk Committee shall report their dealings with the external auditor to the Board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor providing both auditing and non-audit services to the company). The Board shall take this into account when deciding, at the general meeting of shareholders, on the appointment of an external auditor.

(d) *Assessment*

At least once every three years, the Audit & Risk Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the general assembly so it may assess the performance of the external auditor.

The Board will put the external audit contract out to tender at least every 7 years and consider whether the audit partner should be rotated at least every 5 years.

(e) Conflicts of Interest

Conflicts of interest and potential conflicts of interest between the external auditor and the company shall be resolved as determined by the Board on the recommendation of the Audit & Risk Committee. Board members must inform the Chairperson of the Audit & Risk Committee of any matters they know of what may compromise the independence of the external auditor or what may result in a conflict of interest between the external auditor and the company.

(f) Representation by External Auditor

When appointed, the external auditor shall state he/she is aware of:

- 1) The company's audit policy; and
- 2) Other matters provided for in this charter and the charter of the Audit & Risk Committee and that he/she agrees to abide by and promote such policies.

**6. Compensation of Management and Board Members**

(a) Annual Remuneration Report

The CGC shall annually prepare a remuneration report setting out the compensation policies and activities of the past year and an overview of the compensation policy and planned activities for the next financial year and subsequent years. The remuneration report will differentiate between executive and non-executive remuneration.

The Board shall determine the compensation of the executive and non-executive Board members on a proposal by the CGC.

(b) Extraordinary Compensation

If a Board member is paid special compensation during any financial year, an explanation of this compensation shall be included in the remuneration report. The remuneration report shall detail and explain any compensation paid or promised as severance pay to a Board member.

**7. Relations with Shareholders**

(a) Equal and Simultaneous Information

Where appropriate, the Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.

(b) General Meeting, Record Date, Venue

The Board shall determine the date and place of any general meeting and a record date for the exercise of the voting and any other rights attached to the company's securities at such meeting. The Board shall use its best efforts to provide shareholders will all information necessary or requested for the shareholders to properly act at the general meeting.

The majority rule governing companies grants the main shareholders vast decision-making and management powers. Nevertheless, this rule must not jeopardize either the

existence or validity of the fundamental principle of shareholder equality, nor the obligation to respect the legitimate interests of all categories of shareholders, especially minority shareholders.

#### Effective minority shareholding participation

Participation in general meetings is a fundamental right of all shareholders. Companies shall provide the necessary resources to facilitate shareholder participation at general meetings.

#### Protecting legitimate minority shareholder interests

- Setting up adequate procedures to stabilize the share price
- Ensuring valuation of substantial assets in merger-demerger transactions or partial assets transfers
- Ensuring fair value certification

(c) Compliance with Law

The Board shall ensure all laws are complied with, regarding the rights of the general meeting and of individual shareholders.

(d) Attendance by Board members

The Chairperson shall encourage that (unless there are important reasons) all the members of the Board attend the general meetings.

(e) Chairperson of General Meetings

The Chairperson of the Board shall preside at every meeting of the Company. If at any meeting the Chairperson of the Board is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as Chairperson, the Board members present shall elect one of their number to be chairperson of the meeting.

If at any such meeting, no Board member is willing to act as chairperson or if no Board member is present within fifteen (15) minutes after the time appointed for holding the meeting, the Shareholders present shall choose someone of their number present to be chairperson of the meeting.

(f) Disclosure of Resolutions

A resolution of the general meeting shall be publicly disclosed only through a statement from the Chairperson of the Board or the Company Secretariat.

(g) Attendance by external auditor

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor attends the general meeting and is available to address the meeting. The external auditor may be questioned at the general meeting in relation to the audit of the company's financial statements.

## **8. Board Meetings and Decision-Making**

### **8.1 Frequency, Notice, Agenda and Venue of Meetings**

(a) Frequency

The Board shall meet as often as necessary, but not less than 5 times a year. Meetings shall be scheduled annually in advance according to an Annual Board calendar. The Board shall meet earlier or later than scheduled if deemed necessary by the Chairperson of the Board or two other members of the Board.

(b) Notice and Agenda

Meetings of the Board are called by the Chairperson. Save in urgent cases, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board members, as far as possible, at least five calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The Chairperson shall consult with the CEO prior to convening the meeting on the content of the agenda. Each Board member and the CEO has the right to request that an item be placed on the agenda for a Board meeting, provided that the item is notified to the Chairperson prior to the meeting.

(c) Venue

Board meetings are generally held at the offices of the company but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

## **8.2 Attendance of and Admittance to Meetings**

(a) Attendance by other executives

Other executives, who are not Board members, may, if requested by the Board, also attend meetings of the Board on whole or in part.

(b) Undue Absence

If a Board member is frequently absent from Board meetings, he/she shall be required to explain such absences to the Chairperson.

(c) Attendance by Non-Members

The admission to a meeting of persons other than Board members, the CEO, the company Secretariat and (if invited) other executives shall be decided by majority vote of the Board members present at the meeting.

## **8.3 Chairperson of the Meeting**

(a) Chairperson

Board meetings are presided over by the Chairperson of the Board. In his absence, the other Board members may designate by majority vote any one of the Board members present to preside the meeting, except an executive director.

## **8.4 Decision-Making within the Board**

(a) Preference for Unanimity

The Board members shall try to unanimously adopt resolutions. However, Board members are encouraged to voice out dissenting opinions and the Company Secretariat shall record these in the minutes when unanimity cannot be reached.

(b) Individual Vote

Each Board member has the right to cast one vote.

(c) Adoption of resolutions

Resolutions of the Board are adopted at a Board meeting.

At a meeting, the Board may only pass resolutions if the majority of the Board members are present or represented. However, in case of written resolutions, all Board members are required to sign the resolution.

(d) Emergency Procedures

The Board may deviate from the provisions of listed above if this is deemed necessary by the Chairperson of the Board, considering the urgent nature and other circumstances of the case, provided that all Board members are allowed the opportunity to participate in the decision-making process. The Chairperson of the Board and the Company Secretariat shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Board.

(e) Minutes

Minutes must be drawn up for every Board meeting and for every resolution adopted outside a meeting. The minutes are to be signed by the Chairperson of the meeting and then added to the company's records. Each member of the Board shall receive a copy of the minutes. Each member of the Board may request during a meeting that a note explaining how he/she voted or that a formal declaration by him be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting. Minutes of meeting shall be signed by the Company Secretary or the Authorised Meeting Secretary and the Chairperson.

(f) Certification of Resolutions

A resolution adopted by the Board shall be publicly disclosed only through a statement from the Chairperson of the Board and/or the Company Secretariat and/or the CEO.

**9. Environmental, Social and Governance (ESG)**

The Board recognises that the long-term success and sustainability of the Company depend on responsible business practices and effective oversight of environmental, social and governance ("ESG") matters. The Board shall be responsible for overseeing the Company's sustainability and environmental, social and governance ("ESG") framework and for ensuring that ESG considerations are appropriately integrated into the Company's strategy, governance, risk management and decision-making processes.

The Board has delegated certain responsibilities to the Corporate Governance Committee which shall assist the Board in overseeing the Company's sustainability and environmental, social and governance ("ESG") framework, policies and practices, and

support the integration of ESG considerations into the Company's overall governance structure and corporate conduct. However, the Board retains ultimate responsibility for ESG governance and sustainability oversight.

In carrying out its responsibilities, the Board shall:

- approve and oversee the Company's sustainability and ESG strategy, objectives and policies;
- ensure that material ESG risks and opportunities are identified, assessed and appropriately managed;
- oversee the integration of sustainability and ESG considerations into the Company's long-term business strategy and risk management framework;
- monitor the Company's performance against ESG objectives, targets and key performance indicators;
- oversee compliance with applicable sustainability, ESG and non-financial disclosure and reporting obligations;
- promote high standards of ethics, integrity, transparency and responsible corporate conduct throughout the organisation;
- consider the interests and expectations of shareholders and other key stakeholders in relation to sustainability and ESG matters;

## **10. Others Provisions**

### **10.1 Conflicts of Interest of Board Members**

#### **(a) Code of Ethics**

The Board, as part of their commitment to moral conduct, integrity, ethical behaviour and spirit of law shall endorse the Code of Ethics of the Group.

Mauritius has a relatively small pool of professional directors and a highly interconnected business community. This does not mean that directors cannot sit on boards of different companies involved in similar lines of business activities. However, it increases the likelihood of situations of actual or potential conflicts of interest occurring. Such situations should be properly monitored and addressed by the Board in consultation with its respective sub-committees as the case may be.

Conflicts of Interest of directors must be dealt with in accordance with **Sub Part E of Part XI – Directors and their powers and duties** of the Companies Act 2001, in particular s147 and s148, and the Code of Ethics and the Constitution of the Company.

#### **(b) Related Party Transactions**

A potential conflict of interest exists if the Group intends to enter into a transaction with a related party. The Group shall then develop a policy on how to ensure that the rights of all the shareholders are protected during such transactions. A related party include the following :

- (g) The Board members of the company, its parent company, affiliated or sister companies and associates;

- (ii) A parent company and any subsidiary or affiliated company that is not wholly owned;
- (iii) The CEO or General Manager, and key officers, including anyone who directly reports to the Board or the CEO;
- (iv) Any significant shareholder owning or controlling more than 5% of the voting shares having the ability to control, or exercise a significant influence on the outcome of resolutions voted on by shareholders or governing Board members of the company, its parent company, affiliated or associated companies;
- (v) The father, mother, sons, daughters, husband or wife of any of the natural persons listed in clauses (i), (ii) and (iii);
- (vi) Any business, and the governing Board members, CEO and key officers of any business, in which the natural persons listed in paragraphs (i) to (v) own jointly or severally at least 5% of the voting rights; and
- (vii) Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs (i) to (v).

*(c) Duty to Disclose*

A Board member shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Board member concerned shall not take part in the assessment and decision by the Board of whether a conflict of interest exists.

*(d) Abstention by Conflicted Party*

A Board member shall not take part in any discussion or decision-making regarding any subject or transaction in which he/she has a conflict of interest with the company.

*(e) Requirements to approve Conflicts of Interest*

All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm-length transactions in the company's business. The Audit & Risk Committee has the responsibility, where applicable, to determine whether the transaction is fair and at 'arm's length'.

Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.

**10.2 Compensation of Board Members**

*(a) Reimbursement of Costs*

Apart from their compensation, Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the Chairperson of the Board. Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairperson or the Company Secretariat on his or her behalf.

*(b) Loans and Guarantees*

The company and its subsidiaries shall not grant personal loans, guarantees or the like to Board members, save as part of its usual business operations.

### **10.3 Induction Program, Ongoing Training and Education**

(a) Induction program

Upon his or her election, each Board member shall participate in an induction program that covers the company's strategy, general financial and legal affairs, financial reporting by the company, any specific aspects unique to the company and its business activities, and the responsibilities of a Board member.

(b) Annual Review of Training

The Board shall conduct an annual review to identify areas where the Board members require further training or education.

(c) Costs of company

The costs of the induction course and any training or education shall be paid by the company.

### **10.4 Other Positions**

(a) No Excess Directorships

Members of the Board shall limit their other positions so as to ensure they can perform their duties as members of the Board.

(b) Notice of Outside Positions

Board members must inform the Chairperson of the Board and the Company Secretariat of their other positions which may be of importance to the company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest the matter shall be discussed by the Board in accordance with this charter. The Company Secretariat shall keep a list of the outside positions held by each Board member.

### **10.5 Working arrangements**

Lux Island Resorts Ltd is a Public Company listed on the Stock Exchange of Mauritius.

Director's Interest Register

- Each Director must notify the Company of any dealings in shares or any other dealing that may have a material impact on the Company as soon as possible after the acquisition or cessation of the interest.

Deadlines in securities trading

- The Board shall have a practice informing Directors and Officers that (i) they should not trade in the shares of the Company in the prohibited period as defined in the Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius and (ii) they should first notify the Chairperson in advance – the latter shall notify the other directors. Such practice should be implemented by the Company Secretariat.

#### Fundamental concepts

- Each director should receive the same information at the same time, and
- Each director should be given sufficient time in which to consider any such information

#### Period in-between Board meetings

- The Board must identify matters which require the prior approval of the Board and lay down procedures to be followed when, exceptionally, a decision is required before its next meeting

#### Materiality and nature of transactions

- All material contracts defined as contracts whose value exceed 1% of the company's net profit for the preceding year, and especially those not in the ordinary course of business, should be referred to the Board for decision prior to the commitment of the company
- Where there is uncertainty regarding the materiality or nature of a contract, it should normally be assumed that the contract should be brought before the Board.

### **10.6 Confidentiality**

#### *(a) Duty to keep information confidential*

Unless required to do so by law, no Board member shall, during his or her directorship on the Board or afterwards, disclose any information of a confidential nature regarding the business of the company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the company and which he/she knows or should know to be of a confidential nature.. A Board member shall not use such confidential information for his or her personal benefit.

#### *(b) Return of Confidential Information*

At the end of each Board member's term of office, he/she shall return all confidential documents in his or her possession to the company or guarantee their disposal in a manner that ensures confidentiality is preserved.

#### *(c) Notice of Disclosure*

If a Board member intends to disclose to third parties information which he/she has become aware of in his or her duties and which may be confidential, he/she must inform the Chairperson of his or her intent and the identity of the person to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board member. This section applies for both official and personal statements which in terms of their content and form are clearly intended only for the Board.

### **10.7 Miscellaneous**

#### *(a) Acceptance by Board Members*

Anyone who is appointed as a Board member must, upon assuming office, declare in writing to the company that he/she accepts and agrees to comply with the provisions of this charter.

(b) Occasional non-compliance

If permitted by law, the Board may occasionally decide (by unanimous resolution) at its sole discretion not to comply with the provisions of this charter.

(c) Amendment

This charter may be amended by the Board at its sole discretion without prior notification.

(d) Interpretation

In case of uncertainty or difference of opinion on how a provision of this charter should be interpreted, the opinion of the Chairperson of the Board shall be decisive.

(e) Partial Invalidity

If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.

ANNEX 1:

The Company and its Subsidiaries are collectively referred to as the Group.

The Company: Lux Island Resorts Ltd

The Subsidiaries:

- Beau Rivage Co 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 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

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**Dated 18 June 2026**