

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE CHARTER

Establishment of a Corporate Governance and Nomination Committee Charter

In accordance with the recommendations contained in the National Code of Corporate Governance, the Board of Directors of Lux Island Resorts Ltd hereby establishes for the Company Lux Island Resorts Ltd and all its subsidiary Companies, a Corporate Governance and Nomination Committee, hereinafter referred to as the Committee.

1. Membership

- 1.1 The Committee shall comprise at least 3 directors. A majority of the members of the Committee shall be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend committee meetings. However, other individuals such as the CEO, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.4 The Board shall appoint the Committee Chairperson who should be an independent non-executive 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 from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairperson of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairpersonship.

2. Secretary

The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be 2.

4. Frequency of meetings

The Committee shall meet at least twice a year.

5. Notice of meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee 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 member of the Committee, any other person required to attend and all other non-executive directors, 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.

6. Minutes of meetings

- 6.1 The 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 members of the committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the committee Chairperson it would be inappropriate to do so.

7. Annual General Meeting

The Committee Chairperson should attend the annual general meeting to answer any shareholder questions on the committee's activities.

8. Duties

The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee shall :

- 8.1 Determine, agree and develop the company's and group's policy on Corporate Governance in accordance with the recommendations of the National Code of Corporate Governance
- 8.2 Advise and make recommendations to the Board, on all aspects of corporate governance provisions which should be followed by the Company and the Group, so that the Board remains effective while complying with sound and recommended corporate practices and principles.
- 8.3 Communicate to the Board via the Company Secretary the 'closed periods' during which the directors and other officers of the Company and the group who may be party to price sensitive information should refrain from trading in shares and securities of the company and the group
- 8.4 Prepare the Corporate Governance Report to be published in the Annual Report
- 8.5 Regularly review 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.
- 8.6 Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- 8.7 Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace.
- 8.8 Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 8.9 Be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 8.10 Before any appointment is made by 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. In identifying suitable candidates the committee shall :
 - 8.10.1 Consider candidates from a wide range of backgrounds; and

- 8.10.2 Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position
- 8.11 For the appointment of a Chairperson, the committee should prepare a job specification, including the time commitment expected. A proposed Chairperson's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairperson's commitments should be reported to the Board as they arise.
- 8.12 Prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 8.13 Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- 8.14 Review the results of the Board performance evaluation process that relate to the composition of the Board
- 8.15 Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.
- 8.16 Work and liaise as necessary with all other Board members

The committee shall also make recommendations to the Board concerning :

- 8.17 The appointment of any director
- 8.18 Formulating plans for succession for both executives and non-executives directors and in particular for the key roles of Chairperson and Chief Executive
- 8.19 Suitable candidates for the role of lead independent director
- 8.20 Membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the Chairperson of those committees
- 8.21 The re-election by shareholders of directors or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.
- 8.22 Any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract.

9. Compliance, Whistleblowing and Fraud

The committee shall:

- Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- Review the Company's procedures for detecting fraud;
- Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;

- Review significant transactions not directly related to the Company's normal business as the committee might deem appropriate; and
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company

10. Ethical Behaviour and Business Conduct

The committee shall:

- Monitor the ethical conduct of the Company, its executives and senior officials;
- Monitor compliance with the requirements of the Company's constitution (or articles of association);
- Identify any violations of ethical conduct;
- Make recommendations on any potential conflict of interest or questionable situation of a material nature.

11. Compliance with Laws and Regulations

The committee shall:

- Give due consideration to laws and regulations, the Code of Corporate Governance, SEM Listing Rules and any other applicable rules, as appropriate;
- Obtain regular updates from management and the Company's legal counsel regarding compliance matters;
- Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- Review the findings of any examinations by regulatory agencies.

12. Reporting responsibilities

- 12.1 The committee Chairperson shall report on the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The committee shall make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.
- 12.3 The committee shall produce a report to be included in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be mentioned in the annual report and a statement made as to whether it has any connection with the Company. The report should also include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

13. Remuneration

Members of the Committee shall be paid Rs 25,000 per year. The fee is subject to regular review as the Committee shall deem fit.

14. Other matters

The Committee shall :

- 14.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 14.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members
- 14.3 Give due consideration to laws and regulations, the principles of the Code and any other applicable rules, as appropriate.
- 14.4 Arrange for periodic reviews of its own performance and at least annually, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

15. 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.