



NEW MAURITIUS HOTELS LIMITED

CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

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The board of directors is ultimately responsible and accountable for the performance and affairs of **NEW MAURITIUS HOTELS LIMITED** (the “Company” or ‘NMH’) including the effectiveness of the corporate governance of NMH and its subsidiaries.

The Board of Directors has established a Corporate Governance Committee (“the Committee” or “CGC”) to assist the Board and its directors in discharging their duties in this respect.

1 Membership

- 1.1 The Committee shall comprise of at least three members appointed by the Board. A majority of the members of the Committee shall be non-executive directors and where possible, 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, senior executives 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 Chairperson of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairpersonship.

2 Meetings and Proceedings at Meetings

2.1 Secretary

The company secretary or his or her nominee shall act as the secretary of the Committee.

2.2 Quorum

The quorum necessary for the transaction of business shall be the majority of members in office.

2.3 Frequency

The Committee shall meet at least twice a year.

2.4 Notice

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chairperson.

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

2.5 Minutes

The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

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.

2.6 Annual General Meeting

The Committee Chairperson, or any member authorised by the Committee shall attend the annual meeting of shareholders to answer any shareholder questions on the Committee's activities.

3 Responsibilities of the Committee

The Committee shall carry out the duties below for the company, its major subsidiaries and for the group as a whole, as appropriate. The term 'company' will be deemed to refer to any such subsidiary.

3.1 In its capacity as Corporate Governance Committee, the Committee shall:

- 3.1.1 Develop and recommend to the Board a corporate governance framework and a set of corporate governance guidelines.
- 3.1.2 Review and evaluate the implementation of the corporate governance guidelines within the organisation.

- 3.1.3 Periodically review and evaluate the effectiveness of the organisation's Code of Business Conduct and Ethics.
- 3.1.4 Ensure that an adequate process is in place for the Board and senior management to comply with the organisation's Code of Business Conduct and Ethics.
- 3.1.5 Review the position descriptions of the Chairperson, deputy Chairperson, and Board committee chairs and recommend any amendments to the Board.
- 3.1.6 Review and recommend the implementation of structures and procedures to facilitate the Board's independence from management.
- 3.1.7 Review annually with the Board the size and composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of diversity, age, skills, gender and experience required for the Board as whole.
- 3.1.8 Make recommendations to the Board with respect to the size and composition of the committees of the Board including the Corporate Governance Committee.
- 3.1.9 Make recommendations on the frequency, structure and functioning of Board meetings and Board committee meetings.
- 3.1.10 Monitor and evaluate the functioning of committees and make any recommendations for any changes including the creation and elimination of committees.
- 3.1.11 Develop charters for any new committees established by the Board and review the charters of each existing committee and recommend any amendments to the charters.
- 3.1.12 Review any notice given by an individual director that the director intends to retain an outside advisor at the expense of the organisation.
- 3.1.13 Review all related party transactions and situations involving Board members and refer where appropriate to the board or the shareholders general meeting.
- 3.1.14 Oversee the evaluation of the Board as a whole, its committees and individual

directors. If the evaluation is being conducted internally, oversee Board performance and report annually to the Board with an assessment of the Board's performance.

- 3.1.15 Review its own performance annually.
- 3.1.16 Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- 3.1.17 Periodically receive a report from legal counsel or chief compliance officer or company secretary or chief governance officer on compliance issues.
- 3.1.18 Ensure that an adequate process is in place for the Board and senior management to comply with the Mauritian Code of Corporate Governance.
- 3.1.19 Work and liaise as necessary with all other Board committees.

3.2 In its capacity as Nomination Committee, the Committee shall:

- 3.2.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 3.2.2 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.
- 3.2.3 Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- 3.2.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 3.2.5 Be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 3.2.6 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:

- 3.2.6.1 Use the services of external advisers to facilitate the search;
 - 3.2.6.2 Consider candidates from a wide range of backgrounds; and
 - 3.2.6.3 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.
- 3.2.7 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.
- 3.2.8 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.
- 3.2.9 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.
- 3.2.10 Review the results of the Board performance evaluation process that relate to the composition of the Board.
- 3.2.11 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.
- 3.2.12 Work and liaise as necessary with all other Board committees.

The Committee shall also make recommendations to the Board concerning:

- 3.2.13 The appointment of any director.

- 3.2.14 Formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairperson and Chief Executive.
- 3.2.15 Suitable candidates for the role of lead independent director.
- 3.2.16 Membership of the audit and risk management committee, and any other Board committees as appropriate, in consultation with the Chairperson of those committees.
- 3.2.17 The re-election by shareholders of directors or the retirement by rotation provisions in the Company's Constitution, 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.
- 3.2.18 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.
- 3.2.19 The continuation (or not) in service of any director who has reached the age of 70.

3.3 In its capacity as Remuneration Committee, the Committee shall:

- 3.3.1 Have responsibility for setting the remuneration policy for all executive directors and the Company's Chairperson, including pension rights and any compensation payments. The Board shall determine the remuneration of the non-executive directors. No director or senior manager shall be involved in any decisions as to their own remuneration.
- 3.3.2 Recommend and monitor the level and structure of remuneration for senior management.
- 3.3.3 Take into account all factors which it deems necessary including relevant legal and regulatory requirements, the principles of the Code and associated guidance. The objective of the remuneration 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, having regard to views of shareholders and other stakeholders. The remuneration policy shall have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals.

- 3.3.4 When setting remuneration policy for directors, review and have regard to pay and employment conditions across the Company or group, especially when determining annual salary increases.
- 3.3.5 Review the on-going appropriateness and relevance of the remuneration policy.
- 3.3.6 Within the terms of the agreed policy and in consultation with the Chairperson and/or CEO, as appropriate, determine the total individual remuneration package of each executive director, the Company Chairperson and other designated senior executives including bonuses, incentive payments and share options or other share awards.
- 3.3.7 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board.
- 3.3.8 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 3.3.9 Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- 3.3.10 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, Company Secretary and other designated senior executives and the performance targets to be used.
- 3.3.11 Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.
- 3.3.12 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 recognised.

3.3.13 Oversee any major changes in employee benefits structures throughout the Company or group.

3.3.14 Agree the policy for authorising claims for expenses from the directors.

3.3.15 Work and liaise as necessary with all other Board committees

4 Reporting Responsibilities

4.1 The Committee Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

4.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

4.3 The Committee shall produce a report to be included in the annual report about its activities, the Company's remuneration policy and practices, the process used to make appointments and explain if external advice has not been used. 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.

5 Remuneration

5.1 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 members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to directors.

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

6 Other Matters

The Committee shall:

6.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

- 6.2 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;
- 6.3 Give due consideration to laws and regulations, the principles of the Code and any other applicable rules, as appropriate.
- 6.4 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.

7 Authority

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

8 Approval, Monitoring and Review Process

- 8.1 The Committee shall regularly monitor compliance with this Charter.
- 8.2 This Charter shall be reviewed at the end of each financial year by the Committee. Any comments or proposed amendments shall be tabled before the Committee for recommendation to the Board for approval.