

CONSTANCE HOTELS SERVICES LIMITED

NOMINATION AND REMUNERATION COMMITTEE CHARTER

This Charter applies to the member companies of the Constance Group, where applicable.

A Committee of the Board of Constance Hotels Services Ltd known as the Nomination and Remuneration Committee (The 'Committee') was established by resolution passed by the board on 15 May 2006.

This Committee, as established by the Board, will include in its terms of reference responsibility for matters covered by a Nomination Committee and a Remuneration Committee, as delegated to it by the Board, which will review its effectiveness on a bi-annual basis.

The Committee will function as follows :

1. Terms of reference

1.1 In its capacity as Nomination Committee :

- (a) make recommendations to the Board for the appointment of new executive, non-executive and independent directors, which meet good Corporate Governance norms, including recommendations on the composition of the Board in general in regard to the balance between executive, non-executive and independent directors appointed to the Board as well as their terms of service.
- (b) review Board structure, size and composition and evaluate board effectiveness, making recommendations where necessary with regard to any changes deemed necessary;
- (c) identify and nominate candidates who meet good corporate governance criteria and norms for approval by the Board to fill Board vacancies to the Board and to the Board Committees as and when they arise as well as put in place plans for succession, in particular for the Chairperson and Group Chief Executive Officer;
- (d) identify skills needed and those individuals who can provide such skills in a fair and thorough manner, to ensure that the board remains effective and focussed;

- (e) determine any criteria necessary to measure performance of executive directors in discharging their functions and responsibilities.

1.2 In its capacity as Remuneration Committee :

- (a) establish a formal and transparent remuneration policy for executive and senior management appointed by the board;
- (b) determine and recommend to the Board specific fees for directors for approval by the shareholders at their Annual General Meeting;
- (c) determine and recommend to the Board specific remuneration packages for senior executive directors of the company including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives, pension and other benefits;
- (d) ratify and report to the board the company's general remuneration policy for executive and senior management other than those appointed by the board, as determined by the Group Chief Executive Officer;
- (e) Ensure disclosing of remuneration in the annual report, as appropriate.

1.3 These terms of reference may be amended as required, subject to the approval of the Board.

1.4 The Committee shall report formally to the Board on such issues of its proceedings as it will deem necessary as well as to the shareholders at Annual General Meetings on matters of relevance to the shareholders.

2. Membership

- (a) The Committee shall be composed of not less than three members, two of whom are to be independent directors.
- (b) Non-independent chairpersons of the Board can only be the chairperson of the committee on condition that the majority of the members of the committee are independent non-executive directors. If this is not the case, then the non-independent chairperson of the Board can be a member of the committee but not its chairperson;
- (c) The Group Chief Executive Officer may be a member of the Committee or be invited to attend the meetings;
- (d) Members of the committee shall be appointed by the Board for the term of their directorship.
- (e) An induction programme will be put in place for new members of the Committee, covering their role and responsibilities, an overview of the company's business including nature of business and main risk areas

3. Meetings

- (a) Meetings of the Committee will be held as the Committee deems appropriate. However, the Committee shall meet at least three times a year;
- (b) The Chairperson of the Committee or any member of the Committee may call a meeting at any other time;
- (c) 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 by the Company Secretary not less than five working days prior to the date of the meeting;
- (d) The quorum for decisions of the Committee shall be any two members of whom at least one must be the Chairperson present throughout the meeting.
- (e) The remuneration Committee shall normally invite the chairperson of the Board (if not already a member of the committee) to attend meetings when matters relating to the performance of other executive directors are discussed.

4. Proceedings

- (a) Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the company's constitution regulating the meetings and proceedings of directors and committees, where appropriate;
- (b) No members of the Remuneration Committee shall participate in any discussion or decision in respect of their own remuneration or performance/disciplinary proceedings or evaluations;
- (c) The secretary or his nominee shall minute the proceedings and resolutions of all committee meetings including the names of those present and in attendance;
- (d) The minutes of meetings shall be circulated to all members of the committee and to the chairperson of the board. The Chairperson of the Committee shall report to the main board on sensitive issues discussed at committee level regarding nomination and remuneration;

5. Remuneration

- (a) Members of the committee shall be paid such specific fees in respect of their appointment, in addition to the annual committee fees payable to Directors, as shall be approved by the Board.

6. Authority and Resources

- (a) The Committee's Chairperson is authorised to seek any information it requires from any employee of the company in order to perform its duties and shall set the appropriate procedures accordingly;
- (b) The Committee's Chairperson is authorised to obtain at the Company's expense, outside legal and other independent professional advice on matters within its terms of reference or as the committee considers necessary to perform its duties.
- (c) This Charter of this Committee shall be approved by the Board and any amendments thereto submitted to the Board for approval.

7. Communication with shareholders

The Committee's roles and responsibilities and the actions taken to discharge those responsibilities shall be disclosed in the Company's annual reports.

This Charter has been approved by the Constance Group member Company board, where appropriate, and is to be strictly adhered to by the Constance Group member companies, as relevant to the nature of their business.