

CONSTANCE GROUP

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES (‘Company’)

NOMINATION AND REMUNERATION COMMITTEE CHARTER

This Committee, as established by the Board, shall 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.

1. Membership

- 1.1 The Committee shall be composed of not less than three members, two of whom are to be independent directors. Members of the Committee shall be appointed by the Board.
- 1.2 The Board shall appoint the Committee Chairperson. 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.
- 1.3 The Group Chief Executive Officer may be a member of the Committee or be invited to attend the meetings.
- 1.4 External advisers may be invited to attend for all or part of any meetings, as and when appropriate and necessary.
- 1.5 Members of the Committee shall be appointed by the Board for the term of their directorship.

2. Secretary

- 2.1 The Company Secretary or his or her nominee shall act as the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper considerations to be given to the issues.

3. Quorum

- 3.1 The quorum for decisions of the Committee shall be any two members of whom at least one must be the Chairperson who shall be present throughout the meeting.

4. Meetings

- 4.1 Meetings of the Committee will be held as the Committee deems appropriate. However, the Committee shall meet at least three times a year.
- 4.2 The Chairperson of the Committee or any member of the Committee may call a meeting at any other time.
- 4.3 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairperson of the Committee or any member of the Committee.
- 4.4 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, and any other person required to attend, by the Secretary of the Committee not less than five working days prior to the date of the meeting; Supporting papers shall be sent to the Committee members and to other attendees as appropriate, at the same time.
- 4.5 The Committee shall normally invite the Chairperson of the Board (if not already a member of the committee) and the Group Chief Executive Officer to attend meetings to discuss matters relating to the performance of other executive directors and to make proposals as necessary.

5. Proceedings

- 5.1 Unless varied by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's Constitution regulating the meetings and proceedings of Directors and Committees, where appropriate.
- 5.2 No members of the Committee shall participate in any discussion or decision in respect of their own remuneration or performance/disciplinary proceedings or evaluations.
- 5.3 The Secretary of the Committee or his/her nominee shall minute the proceedings and resolutions of all committee meetings including the names of those present and in attendance.
- 5.4 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.

6. Responsibility of the Committee

The authority of the Committee is delegated to it by the Board of Directors which will review its effectiveness every two years. The scope of such responsibility is defined below. The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

6.1 In its capacity as Nomination Committee shall:

- 6.1.1 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. At least one female director shall sit on the Board.

- 6.1.2 Review, at least 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;
- 6.1.3 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, taking into account the challenges and opportunities facing the Companies, and the skills and expertise needed in the future;
- 6.1.4 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;
- 6.1.5 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;
- 6.1.6 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;
- 6.1.7 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.
- 6.1.8 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, commitment service and involvement outside Board meetings.
- 6.1.9 Determine any criteria necessary to measure performance of executive directors in discharging their functions and responsibilities.
- 6.1.10 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 every two years to the Board with an assessment of the board's performance;
- 6.1.11 Evaluate nominees for the annual re-election of Directors while ensuring no member of the Committee is involved in decisions in regard to his/her re-election.
- 6.1.12 Evaluate the performance of Committee members and recommend their re-appointment where applicable.
- 6.1.13 Monitor and evaluate the frequency, structure, functioning of committees and make any recommendations for any changes

including the creation and elimination of committees and sub-committees;

6.1.14 Work and liaise as necessary with all other Board Committees.

6.2 In its capacity as Remuneration Committee:

- 6.2.1 Establish a formal and transparent remuneration policy for executive and senior management appointed by the Board;
- 6.2.2 Determine and recommend to the Board specific fees for directors for approval by the shareholders at their Annual General Meeting;
- 6.2.3 Take into account all factors which it deems necessary including relevant legal and regulatory requirements, the principals 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 should have regard to the risk appetite of the Company and alignment to the Company's long-term strategic goals;
- 6.2.4 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;
- 6.2.5 Review the on-going appropriateness and relevance of the remuneration policy,
- 6.2.6 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;
- 6.2.7 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;
- 6.2.8 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;
- 6.2.9 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
- 6.2.10 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;
- 6.2.11 Review the design of all share incentive plans for approval by the Board if applicable. 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;

- 6.2.12 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;
 - 6.2.13 Oversee any major changes in employee benefits structure throughout the Company or Group;
 - 6.2.14 Agree the policy for authorising claims for expenses from the directors; and
 - 6.2.15 Ensure disclosing of remuneration in the annual report, as appropriate.
- 6.3 These terms of reference may be amended as required, subject to the approval of the Board.
- 6.4 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.

7. Reporting Responsibilities

- 7.1 The Committee Chairperson shall report to the Board on its proceeding after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 In its capacity as Remuneration Committee, the Committee shall produce a report of the Company's remuneration policy and practices to be included in the Company's annual report. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.
- 7.4 In its capacity as Nomination Committee, the Committee shall produce a report to be included in the annual report about its activities.

8. Annual General Meeting

- 8.1 The Committee chairperson should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

9. Remuneration

- 9.1 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.

10. Other Matters

The Committee shall:

- 10.1 Have access to outside or other independent professional advice as it considers necessary to carry out duties;
- 10.2 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

- 10.3 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;
- 10.4 Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors; and
- 10.5 Arrange for periodic reviews of its own performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Authority and Resources

- 11.1 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;
- 11.2 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.
- 11.3 This Charter of this Committee shall be approved by the Board and any amendments thereto submitted to the Board for approval.

This Charter has been approved by the Board of Constance Hotels Services Limited on 3 December 2018 and is to be strictly adhered to, as relevant to the nature of its business.