

## **TROPICAL PARADISE CO LTD**

### **Corporate Governance Committee**

#### **Terms of Reference**

#### **1. Constitution**

- 1.1 The Corporate Governance Committee is appointed by the Board of Directors and is also to perform the duties relevant to the nomination and remuneration of Directors.

The Committee has the following responsibilities:-

- (a) To make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles and practices.
- (b) To ensure that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance as recommended by the National Committee on Corporate Governance.
- (c) To advise the Board on matters related to the balance of skills, expertise and independence and make recommendations on the appointment of new Board members and the remuneration of Directors.

#### **2. Membership**

- 2.1 The Corporate Governance Committee shall comprise of four members, two of whom must be non-executive directors.
- 2.2 The Chairperson shall be appointed by the Board and shall be an independent non-executive director.
- 2.3 Members shall be appointed for a period of three years. They are eligible for re-appointment.

- 2.4 The quorum for holding a meeting shall be three members.
- 2.5 The Secretary of the Committee shall be the Company Secretary.

### **3. Frequency of meetings**

- 3.1 Meetings shall be held not less than twice a year. Further meetings may be convened as required with the approval of the Chairman
- 3.2 The notice of each meeting of the Committee confirming the venue, time, date and agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than five working days prior to the date of the meeting.
- 3.3 Minutes of proceedings of all meetings shall be compiled by the Secretary of the Committee for approval by the members of the Committee.
- 3.4 A copy of the minutes of proceedings shall, when approved by the Committee, be forwarded for information to the Chairman of the Company before the next Board meeting.

### **4. Duties**

- 4.1 In accordance with the responsibilities spelt out in section 1.1 above, the duties of the Committee shall be as follows:-
- 4.1.1 Corporate Governance
- (a) To advise the Board on all aspects of corporate governance and to recommend the adoption of best practices as appropriate for the Company and the Group.
  - (b) To determine, agree, develop and review the company's general policy on corporate governance in accordance with the Code of Corporate Governance, as recommended by the National Committee on Corporate Governance.
  - (c) To recommend to the Board a Code of Conduct for Directors so as to ensure that they meet the fit and proper test at all material times, with particular attention to regular attendance, confidentiality, conflicts of interest, insider trading and contribution to the strategy of the Company.
  - (d) To recommend to the Board any closed periods during which the directors and any other persons in the company who are privy to price

sensitive information shall not be permitted to trade in shares or securities of the company.

- (e) To review the corporate governance report and submit same to the Board for approval before publication in the company's annual report.
- (f) To ensure that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance.
- (g) To report to the Board any breach of the Code of Corporate Governance and of the Code of Conduct of Directors.

#### 4.1.2 Nomination and Remuneration

- (a) To review the Board structure, size and composition and make recommendations to the Board whenever appropriate;
- (b) To advise the Board on the appointment of new directors.
- (c) To review, whenever necessary, and make recommendations on:
  - i. the induction programs for new Directors;
  - ii. the process for the performance appraisal of the Board.
- (d) To make recommendations to the Board on fees payable to Directors and Board Committee Members.

### **5. Independent professional advice**

- 5.1 The Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

### **6. Evaluation**

- 6.1 The Committee shall conduct an annual self-assessment of its effectiveness.
- 6.2 The Board shall also be satisfied of the effectiveness of the Committee before renewing its mandate.