

NOTICE TO SHAREHOLDERS

Notice is hereby given that a Special Meeting of Shareholders of the Company will be held at its Registered Office, Pierre Simonet Street, Floréal on Wednesday 30 December 2020 at 15hrs with the following agenda:

ORDINARY RESOLUTIONS

- To take note of the preferential offer document dated 4 December 2020 circulated with this notice (the "Preferential Offer Document") in connection with the issue, by way of a private offering, of 100 redeemable convertible secured bonds (the "Bonds") of MUR 10,000,000 each for an aggregate amount of MUR 1,000,000,000 (the "Bonds Issue") to the Mauritius Investment Corporation Ltd ("MIC") for the purposes, and on the terms and conditions, set out in the Preferential Offer Document and in the subscription agreement dated 3 December 2020 signed between the Company and MIC (the "Subscription Agreement").
- To approve the Bonds Issue on the terms and conditions of the Subscription Agreement and of the Preferential Offer Document.
- To approve the issue and allotment of a maximum number of 100 Bonds to MIC as consideration for the receipt by the Company of the maximum subscription proceeds of MUR 1,000,000,000 from MIC in accordance with the Subscription Agreement.
- To approve that, in the event that and at the time that MIC is entitled to convert some or all of the Bonds in accordance with the Subscription Agreement:
 - the Company be authorised, pursuant to Article 3.1.1 of its constitution, to then increase its capital by such relevant amount as may be appropriate (depending on the number of Bonds to be converted at such time) up to MUR 1,000,000,000, to be divided into such number of ordinary shares not exceeding 29,832,935;
 - subject to sub-paragraph (a) above, the board of directors of the Company be authorised to then issue and allot such ordinary shares as it deems appropriate to MIC and in accordance with the terms and conditions of the Subscription Agreement;
 - the pre-emptive rights on issue of shares contained in Article 2.6 of the constitution of the Company shall not apply to the issue of ordinary shares contemplated in sub-paragraphs (a) and (b) above;
 - the ordinary shares then issued and allotted to MIC be admitted on the Official List of the Stock Exchange of Mauritius Ltd.
- To authorise the board of directors of the Company to perform, or delegate the performance, of any actions as may be required for the purposes of, or in connection with, the Bonds Issue.
- To ratify and approve the performance of any actions, or the execution of any agreement or document, by any director of the Company or by any person authorised by the Company in connection with the Bonds Issue.

SPECIAL RESOLUTIONS

- To take note that it is a condition precedent of the subscription of the Bonds by MIC and payment of the subscription proceeds to the Company that the amended and restated constitution of the Company dated 13 December 2010 (the "Constitution") be altered to entrench the pre-conversion governance provisions in clause 2.8, and the post-governance provisions in clauses 11.1 and 11.2, of the Subscription Agreement.
- To approve, accordingly, that the Constitution be altered by inserting immediately after Article 2.10 of the Constitution a new Article 2.11 as follows:
 - New Investor Provisions
 - 2.11.1 For as long as the New Investor owns one (1) or more Bonds, it may nominate one (1) person to be appointed as Director, subject to Article 2.11.2.
 - 2.11.2 In the event the New Investor no longer hold any Bonds, it shall cause the Director nominated by it pursuant to Article 2.11.1 to resign within twenty (20) business days from the date on which no Bonds are held, failing which the Company shall have the right to cause the Shareholders to remove such Director.
 - 2.11.3 The New Investor may transfer the Bonds to any entity which is wholly-owned by the Bank of Mauritius or the Government of Mauritius, provided that (a) the transferred Bonds shall carry the same terms and conditions in the hands of their new holder and (b) such proposed transfer is made with the prior approval of the Company, such approval not to be unreasonably withheld.
 - 2.11.4 Subject to Articles 2.11.5, 2.11.6 and 2.11.7, for as long as it owns all the Shares issued to it pursuant to the conversion of Bonds, the New Investor may nominate for appointment by the Company, one (1) director to the board of directors of the Company per portion of Shares held by the Subscriber and

representing at least twenty percent (20%) of the total number of the Shares, with the following privileges:

- to be a member of the audit and risk committee and the investment committee of the Company, to the extent that the Board has set up such committees;
- the matters listed in (i) to (xx) hereunder will require the affirmative vote of the Director(s) nominated by the New Investor, to the extent that and only if such Director(s) is/are present at the meeting of the Board where such matters are being decided, before, in the case of some of them, being recommended to the Shareholders for approval:
 - the alteration of the constitution of the Company;
 - passing a resolution for the voluntary winding up of the Company;
 - a change in the nature or scope of the business of the Company or commencing a new business not being ancillary or incidental to the current business of the Company;
 - ceasing or proposing to cease to carry on the current business of the Issuer;
 - the issue of shares by the Company, or granting or agreeing to grant any options for the issue or allotment of any share of the Company;
 - permitting or causing to be proposed any amendment to the stated capital of the Issuer by way of the sub-division of its stated capital, the creation of shares with differing rights and amendment of existing class rights;
 - entering into any merger, consolidation, partnership, joint venture, acquisition or investment in any other business or company;
 - creating any subsidiaries and associate companies;
 - selling any asset or creating any security interest in or over any of the Company's assets;
 - making any loans to Directors, companies or Affiliates;
 - awarding any discretionary bonus or commission payments to Directors, companies or Affiliates except in the ordinary course of business;
 - entering into or varying any contract or arrangement (other than those negotiated and entered into at arm's length) with Directors, companies or Affiliates;
 - changing the auditors or accounting reference date;
 - approving any merger, consolidation, recapitalization or other business combination transaction involving any related party;
 - terminating, or causing to be terminated, a Material Contract;
 - changing the dividend policy;
 - incurring any capital expenditure not budgeted for and exceeding five million Rupees (MUR 5,000,000);
 - engaging in renovations or new projects;
 - engaging in the early repayment of commercial bank facilities; and
 - repaying related party debts.

The matters listed in (i) to (vi), (xiii), (xiv) and (xvi) shall require such subsequent shareholder approval.

- 2.11.5 For the purposes of calculating the number of Shares of the New Investor as per Article 2.11.4 only the Shares held by it as a result of the conversion of the Bonds in accordance with clause 6.1 of the Subscription Agreement, if any, will be taken into account.
- 2.11.6 The right conferred to the New Investor pursuant to Article 2.11.4 does not attach to the Shares, and is personal to the New Investor. For the avoidance of doubt, the right conferred exclusively to the New Investor by Article 2.11.4 shall not pass on to any person who may acquire from the New Investor (i) some or all of the Shares held by the New Investor as a result of the conversion of the Bonds, or (ii) any other ordinary shares of the Company held by the New Investor, such person having no right to nominate one or more Director(s) on the Board pursuant to Article 2.11.4.
- 2.11.7 In the event the New Investor no longer owns all of the Shares issued to it pursuant to the conversion of the Bonds representing at least twenty percent (20%) of the total number of the Shares,

- the privileges described in Article 2.11.4(a) and Article 2.11.4(b) above shall immediately cease and terminate, and any Director(s) nominated by the New Investor shall no longer be entitled to exercise such privileges; and
- the New Investor shall cause the Director nominated by it pursuant to Article 2.11.4 to resign within twenty (20) business days from the date on which the New Investor ceases to own such ordinary shares, failing which the Company shall have the right to cause the Shareholders to remove such Director;

2.11.8 This Article 2.11 shall only apply if, and at such time when, the New Investor owns Shares issued to it pursuant to the conversion of the Bonds under the terms and conditions of the Subscription Agreement, representing at least twenty percent (20%) of the total number of the Shares of the Company.

2.11.9 For the purposes of this Article 2.11:

"Affiliates"	has the meaning ascribed to that term in the Subscription Agreement;
"Bonds"	means 100 redeemable convertible secured bonds numbered 1 to 100 issued by the Company to the New Investor pursuant to the terms and conditions of the Subscription Agreement;
"New Investor"	means the Mauritius Investment Corporation Ltd, a private company registered under the laws of Mauritius with incorporation number C172181 and business registration number C20172181 having its registered office at Bank of Mauritius, Sir William Newton Street, Port Louis, Mauritius;
"Material Contract"	has the meaning ascribed to that term in the Subscription Agreement;
"Shares"	means ordinary shares issued by the Company;
"Subscription Agreement"	means the subscription agreement dated 3 December 2020 made between the New Investor and the Company in connection with the Bonds.

- To authorise the board of directors of the Company to perform, or delegate the performance, of any actions as may be required for the purposes of, or in connection with, the alteration of the Constitution.
- To ratify and approve the performance of any actions, or the execution of any document, by any director of the Company or by any person authorised by the Company in connection with the alteration of the Constitution.

By Order of the Board

IBL Management Ltd

Company Secretary

8 December 2020

A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a shareholder company, by way of a written board resolution), whether a member or not, to attend and vote on his behalf.

The instrument appointing a proxy, any general power of attorney or the written resolution appointing a representative should reach the Registered Office of the Company, Pierre Simonet Street, Floreal, Mauritius, not less than twenty four hours before the time appointed for the holding of the meeting or adjourned meeting. In default, the instrument of proxy shall not be treated as valid.

For the purpose of this Special Meeting, the Directors have resolved in compliance with Section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 1 December 2020.

This notice is issued pursuant to Listing Rule 11.17 and Article 10 of the Constitution.

The Board of Lux Island Resorts Ltd accepts full responsibility for the accuracy of the information contained in this notice.