

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE REPORT



Ashane Jayasekara

Chairman - Board Human Resource and Remuneration Committee

Aligning remuneration with performance, and making continued progress towards ensuring a high performing culture in line with the Company's values

COMPOSITION OF THE COMMITTEE

Committee member	Status
Mr. Ashane Jayasekara	Chairman/ Independent Non-Executive Director
Mr. G A R D Prasanna	Non-Executive Director
Ms. Yanika Amarasekera	Independent Non-Executive Director

ATTENDANCE AT MEETINGS HELD DURING THE YEAR

Committee member	Attendance
Mr. Ashane Jayasekara	4/4
Mr. G A R D Prasanna	4/4
Ms. Yanika Amarasekera	4/4

The Company Secretary functions as the Secretary to the Committee.

The Managing Director and the Executive Directors attend meetings of the Committee by invitation and provide relevant information and their views to the Committee for its deliberations, except when the Executive Directors' own remuneration packages and other matters relating to them are discussed.

REGULATIONS/RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The Remuneration Committee was formed by the Board in compliance with Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange and its composition and functions are in conformity with the Listing Rules. Upon re-constitution of the Committee on 16th March 2022, it was

re-named as Human Resource and Remuneration Committee in line with Sections 10.1 and 10.5 of the Finance Business Act, Directions No.05 of 2021.

FUNCTIONS

The functions of the Committee include the following

- » To make recommendations to the Board on the Remuneration Policy of the Company.
- » To make recommendations on the compensation and benefits of the Managing Director and Executive Directors.
- » To oversee any major changes in the employee remuneration and benefit structures throughout the Company, to consider and examine such matters as it considers appropriate.
- » To make recommendations on other related matters referred to the Committee by the Board of Directors.

ACTIVITIES DURING THE YEAR

The Committee had four (4) meetings during the year, where it reviewed and made recommendations to the Board on bonus payments to Executive Directors, the structure for staff performance evaluations, increments and promotions, staff salaries in general, tax implication to employees' remuneration consequent to the recent amendments to the Inland Revenue Act and also on the remuneration policy of the Company.

POLICIES AND PROCEDURES

The committee operates within the terms of reference as approved by the Board.

As per the said terms of reference, the Committee shall consist of not less than three (3) members, comprising exclusively of non-executive directors, a majority of whom shall be independent.

The Committee shall meet at least twice in a financial year and additional meetings may be called at any time at the Chairman's discretion or by a member in consultation with the Chairman.

As required by the said terms of reference, Committee reviewed the terms of reference in March 2023, and recommended changes there to be in strict conformity with the Finance Business Act Directions No. 05 of 2021.

REMUNERATION POLICY

The primary objective of the Remuneration Policy of the Company is to align remuneration with performance, whilst ensuring that the Company is able to attract and retain employees critical to deliver the Company's strategy and to make continued progress towards ensuring a high performing culture in line with the Company's values.

Through the Remuneration Policy, the Company endeavours to encourage an entrepreneurial mindset by creating a working environment that motivates high performance so that all employees can positively and ethically contribute to the strategy, vision and goals of the Company while upholding its values.

DIRECTORS' REMUNERATION

The total amount paid as Directors' remuneration during the year under review is set out in Note 6.1.1 to the Financial Statements, which is in line with the Policy for Directors' Remuneration adopted by the Board on 17th February 2021.

Ashane Jayasekara
Chairman - Board Human Resource and Remuneration Committee

5 June 2023