Policy on Remuneration

Version: KPPLC/P4/Sep24

KEGALLE PLANTATIONS PLC

1. Introduction

The Policy on Remuneration outlines the framework for determining fair and competitive compensation for directors, executives, and employees of Kegalle Plantations PLC. It ensures that remuneration practices align with the company's strategic objectives, promote performance-based rewards, and foster long-term value creation. By adhering to principles of fairness, transparency, and accountability, this policy supports the company's commitment to attracting, retaining, and motivating top talent while maintaining shareholder confidence.

2. Purpose and Scope of the Policy

The Policy on Remuneration is established to provide a clear framework for the compensation of directors, executives, and employees at Kegalle Plantations PLC, in compliance with the revised Section 9 of the Corporate Governance Rules (9.2) set by the Colombo Stock Exchange (CSE) for listed companies in Sri Lanka. The objective of this policy is to ensure that remuneration practices support the company's strategic goals, align with shareholder interests, and attract, retain, and motivate highly qualified individuals. It aims to strike a balance between performance-based rewards and fair compensation, while maintaining transparency and accountability in all remuneration decisions.

This policy applies to all directors, senior management, and employees of Kegalle Plantations PLC. It outlines the process and principles governing the determination of remuneration, including base salaries, bonuses, incentives, and other benefits. The Remuneration Committee is responsible for overseeing the implementation of this policy and ensuring compliance with relevant legal and regulatory requirements.

3. Policy Details

3.1. Remuneration Principles

The remuneration policy is guided by the following principles:

- **Fairness and Competitiveness:** Remuneration packages will be structured to ensure they are fair, competitive, and aligned with industry standards. Compensation will be benchmarked against similar companies in Sri Lanka.
- **Alignment with Shareholder Interests:** The policy ensures that remuneration practices are aligned with the long-term interests of shareholders. This includes promoting sustainable growth, enhancing shareholder value, and discouraging excessive risk-taking.

3.2. Remuneration Committee

The Remuneration Committee, comprised of non-executive and independent directors, is responsible for overseeing and implementing this policy. The committee is tasked with:

- Reviewing and approving remuneration packages for key management personnel.
- Overseeing the preparation of remuneration reports for inclusion in the company's annual report.

3.3. Disclosure and Compliance

Kegalle Plantations PLC will comply with all regulatory requirements related to the disclosure of executive and director remuneration. The company will provide detailed disclosures in its annual reports.

3.4 Review and Amendments

This policy will be reviewed annually by the Remuneration Committee to ensure it remains consistent with the company's objectives, market trends, and regulatory requirements. Any amendments to the policy will be approved by the Board of Directors.