

## **POLICY ON REMUNERATION**

### **1. POLICY**

The Remuneration Policy of Seylan Developments PLC aims to establish a formal and transparent procedure for determining remuneration, salaries, allowances, incentives, and other payments to all employees of the Company.

The Policy aims for good corporate governance and ensures the Company's overall remuneration policy and practices are linked to the short and long-term plans of the Company. This shall be the framework for the Board Remuneration Committee to carry out its' responsibilities in accordance with the guidelines set out by the Board.

### **2. REMUNERATION COMMITTEE**

The Board Remuneration Committee has been established with the objective of assisting the Board of Directors in fulfilling their role and responsibilities.

In particular, the Remuneration Committee focuses on the Company's Remuneration Policy, the structure and governance of the incentive programs as well as the remuneration of members of the Board of Directors, and key employees. The Terms of Reference of the Remuneration Committee lays down the responsibilities of the Remuneration Committee.

### **3. REMUNERATION SYSTEM AND PRINCIPLES**

The remuneration system is a set of elements of the reward package that the Company uses to attract, motivate, and retain the best employees who would help to support the Company's long-term goals, and business strategy.

The remuneration system is designed taking into account and applying all of the following principles:

- Remuneration is assessed based on the responsibilities assigned to the employee, the performance of the employee, the competencies, knowledge, skills, professional experience, seniority, education, responsibility, job complexity, local market conditions, etc.
- Ensure that the remuneration paid to employees is competitive towards the labour market, enabling to attract and retain the necessary employees;
- Ensure compliance with the requirements set out in the applicable laws.
- Employees are subject to a uniform pay system, without discrimination on grounds of sex, age, nationality, race, social status, religion, social orientation, etc.

### **4. REMUNERATION OF THE CHAIRMAN AND BOARD OF DIRECTORS**

The Board Remuneration Committee decides and recommends the remuneration, fees, allowances, benefits and perquisites to be offered to the Chairman and the Directors. Committee also submits its recommendations for revisions, amendments, and adjustments to the remuneration from time to time for the approval of the Board.

Members of the Board of Directors are not covered by performance-based incentives and Performance-based bonus payments.

#### **5. REMUNERATION STRUCTURE**

This includes basic salary, bonus, allowances and other benefits that are considered necessary to any employee of the Company as and when a requirement arises, subject to approval of the Board of Director and Rates shall be revised periodically, subject to being recommended by the Board Remuneration Committee and approved by the Board of Directors.

#### **6. REVISIONS AND INCREMENTS**

- **Revisions:**

The Board Remuneration Committee may consider a salary revision once in three (3) years, based on a market survey, overall performance of the company, anticipated future outlook, and commitment by employees during the period from the last revision.

- **Increments:**

Annual Salary increment is to be based on the Company's performance, Inflation, Industry Norms, Individual performance, Academic and Professional Achievements during the period concerned. Evaluation of individual performance will be conducted by respective department heads based on Job Knowledge, Job Performance, Attitude, Commitment, and Attendance etc

The CEO/COO/GM will review only when there is a dispute of the appraisals and grading given by the Divisional Heads. He/She also will discuss the performance and the Grading given with the respective staff member reaching finality with their consent.

Members of the Board Remuneration Committee may recommend increments/revisions for the approval of the Board of Directors.

#### **7. SPECIAL REMUNERATION ARRANGEMENTS:**

Any other payments for the purpose of sign-on, retention or termination of staff members, which are not set out in the employment contracts, must be reviewed by the Board Remuneration Committee and approved by the Board of Directors before being agreed upon.

#### **8. REVIEW OF THE POLICY**

The policy is reviewed by the Company on a regular basis to ensure its relevance and effectiveness. Updates may be made, when appropriate, to reflect the latest best practices and makes recommendations on any proposed revisions as may be required to the Board for approval.

#### **9. PUBLICATION OF THIS POLICY**

This Policy is made available in Seylan Developments PLC's corporate website for the perusal of its shareholders and other interested stakeholders.

**Approved by** : **Board of Directors**  
**Date** : **25.09.2024**