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## Remuneration Committee Charter

### Introduction

1. The Remuneration Committee (the **Committee**) has been established as a committee by the board of directors of Mahaweli Reach Hotels PLC (MRH) (the **Board**).

This Charter sets out the role, responsibilities, composition and operation of the Committee.

### Role and Responsibilities

4. The role of the Committee is to assist the Board in ensuring that MRH's people and remuneration policies, frameworks and practices:

- support the realisation of MRH's vision and its strategy to create long-term, sustainable shareholder value
- are fair, attract and retain a diverse and appropriately skilled workforce to deliver MRH's strategy
- encourage behaviours that align with the MRH's values, policies and risk management framework

5. In performing its role, the Committee will review, report on and make recommendations to the MRH Board on, the following matters (and any other matters that may be referred to it by an MRH Board or Board Committees from time to time):

#### Focus Area

Remuneration

#### Responsibilities

- reward framework and policies
- the remuneration arrangements for the Managing Director and Executive Directors
- whether the MRH's remuneration arrangements comply with applicable regulatory requirements
- remuneration payable to MRH non-executive directors, if applicable

Variable reward plans

- the long term and short variable reward plans including their eligibility, where applicable
- the terms of variable reward plan offers made to the Managing Director and Executives, including applicable performance targets and reward opportunities

Performance

- processes evaluating the performance of the Managing Director and Key Executives
- processes for setting accountabilities and evaluating the discharge of those accountabilities for Accountable Persons

Culture

- **information and reporting related to organisational culture such as surveys and assessments**
- people strategies, policies and practices for promoting a culture consistent with the MRH's values and staff wellbeing
- policies relating to people and workplace behaviour (including the Code of Conduct and policies relating to diversity, inclusion and equality, workplace harassment, sexual harassment and bullying)

People

- recruitment and retention strategies and policies
- training and development frameworks
- **measurable objectives for achieving diversity (including gender diversity) in the composition of senior management and the broader workforce**
- termination policies and procedures

Succession planning

- senior executive succession and key staff succession plans

Corporate reporting

- MRH annual remuneration report

**Shareholding guidelines**

- **Shareholding guidelines applicable to Key Management Personnel**

## **Committee Composition**

6. The Members of the Committee are appointed by the Board in consultation with the Nominations and Governance Committee.

7. The Committee will consist of a minimum of three (03) Directors of the company, out of which a minimum of two (02) members shall be Independent Directors and shall not comprise of Executive Directors.

8. The members of the Committee are to have sufficient skill, experience and technical expertise and a sufficient understanding of the company's business and remuneration framework to fulfil the Committee's Responsibilities effectively.

### **Committee Chair**

9. The Committee Chair is appointed by the Board, in consultation with the Nominations and Governance Committee.

10. The Committee Chair must be an independent non-executive director of MRH and must not be the Chair of the Board.

11. The Committee Chair's primary responsibilities are leading the Committee and overseeing the processes for the Committee fulfilling its responsibilities under this Charter. The Committee Chair is also responsible for:

- a. chairing Committee meetings and facilitating open and effective discussions at Committee meetings;
- b. maintaining communications with management and the Company Secretary in relation to the Committee's information requirements;
- c. serving as the primary link between the Committee and the Board; and
- d. attending the annual general meeting of MRH and being prepared to respond to any shareholder questions on matters within the remit of the Committee.

### **Committee Secretary**

12. The Company Secretary of MRH, or such other person as they may nominate, will act as the Committee Secretary and report directly to the Committee, through the Chair, on all matters to do with the proper functioning of the Committee. All Committee members have direct access to the Committee Secretary and vice versa.

### **Committee Meetings**

#### Frequency and conduct

13. The Committee will meet at least once each year or more frequently if necessary to fulfil its responsibilities.

14. Each MRH Board director shall have access to Committee papers. However, directors who are not Committee members are not required or expected to review Committee papers.

#### Quorum

15. A quorum shall be two members or any greater number determined by the Board.

#### Attendance

16. Directors of the Board who are not Committee members may attend Committee meetings but are not required or expected to do so.

17. The following persons shall have a standing invitation to attend Committee meetings subject to the Committee's discretion to ask a person to withdraw from all or part of a meeting:

- a. Managing Director or Executive Directors

18. Other MRH executives may be invited to attend Committee meetings at the invitation of the Committee, as extended by the Committee Secretary.

### **Access and Advisers**

20. The Committee has unrestricted access to all employees and relevant records of MRH it considers necessary to fulfil its obligations and has the right to seek explanations and additional information from management and auditors.

21. The Committee may (at MRH's expense):

- a. appoint external experts to assist the Committee in carrying out its responsibilities, and
- b. invite those external experts to attend and provide input at Committee meetings.

22. Where the Committee appoints such external experts, management will provide the external experts with the information necessary to enable the expert to perform its role.

## Reporting

23. The Committee Chair will update the MRH Board about Committee activities at the next meeting of the Board through a written paper and/or verbal report.

24. The Committee will refer to the MRH Board, or recommend to the MRH Board the referral to another Board Committee (as appropriate), any matters that have come to the Committee's attention that are relevant for the MRH Boards or another Board Committee.

25. Committee meeting minutes will be provided to the MRH Board for noting.

## Committee Charter Review

26. The Committee will review the Charter once every two years to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.

27. Amendments to the Charter, other than updates for MRH branding or position titles, are to be approved by the Board.

Approval Date

Charter approved: 28/11/2024

Remuneration Committee Charter 2024	
Version:	001
Approved By:	Board of Directors
Approved on:	28/11/2024
Notes:	Introduced in compliance with the Listing Rules of the Colombo Stock Exchange and applicable laws