

POLICY ON REMUNERATION

1. Purpose

This Remuneration Policy ("Remuneration Policy") describes remuneration principles and framework for the members of the Board of Directors of The Company, the CEO, and Senior Executives. The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.

The objective of the Remuneration Policy at the Company is to promote: -

- Implementation of the Company's strategy;
- Achieving the Company's longterm targets;
- Development of positive shareholder value;
- Individual accountability and fair remuneration;
- Recruitment of the best possible individuals in terms of qualifications and/or experience to carry out its strategic plans;

2. Definitions

The following words and expressions shall have the respective meanings given against each such word unless such meanings are inconsistent with or repugnant to the subject or context:

"Board" means the board of directors of the Company;

"Company" means Mahaweli Reach Hotels PLC and all its subsidiaries if applicable;

"CSE" means the Colombo Stock Exchange

"Director" or **"Directors"** means a director or the directors (as the case may be) for the time being of the Company

"Listing Rules" mean the Listing Rules of the Colombo Stock Exchange;

3. Decision-making Process, Preparation and Adoption of the Remuneration Policy

The Remuneration Committee monitors and evaluates the effectiveness of the Remuneration policy and the competitiveness of the remuneration of the Executive Directors.

The remuneration report prepared in accordance with the Remuneration Policy is presented annually. The Remuneration Committee is responsible for

preparation of the remuneration report.

With regard to the decision-making processes, special attention shall be paid to ensuring that remuneration decisions are fair and equal.

The decision-making of the Remuneration Committee shall take into account the provisions concerning independence and conflict of interest of its members. No member of the Remuneration Committee shall be party to decisions concerning his/her own remuneration. Remuneration for Non-Executive Directors is based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.

4. Remuneration of the Board of Directors

The Board of Directors do not currently receive remuneration for services rendered. The Company may in the future institute a meeting fee for independent directors in recognition of the services rendered and time spent.

All the above fees where applicable are paid in cash.

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Version	001
Approved By:	Board of Directors
Approved on:	28/11/2024
Notes:	Introduced in compliance with the Listing

5. Independence of the Committee

The committee is independent from the management of the business and not involved in any business operations. The scope of the Committee is:

- a. To study and recommend the remuneration policy of Directors and Key Management Personnel.
- b. To review the performances of Key Management personnel on a periodic basis.
- c. To recommend the remuneration based on the prevailing market rates and perquisites applicable to the Key Management personnel of the Company and make appropriate recommendations to the Board of Directors for approval.
- d. To carry out periodic reviews to ensure that the remunerations paid are in line with market conditions. The Remuneration Policy is to attract and retain the best professional managerial talent within the Company and also to motivate and encourage them to perform at the highest possible level.
- e. To ensure the Company has a structure and professional methodology to evaluate the performance of employees and members of the Board.
- f. To ensure equality and fairness between various employees is maintained.