

REMUNERATION COMMITTEE REPORT

COMMITTEE COMPOSITION

Committee Chairman

Mr. G.C. Wickremasinghe

Members

R.N. Asirwatham

MR. C.H. Gomez

Independent Non-Executive

Non-Executive

Independence of the Committee

The members of the Committee are composed of three Independent Non-Executive Directors. They are independent of management and are completely free from any business, personal or other relationships that may interfere with the exercise of their independent, unbiased judgement. The members of the Committee refrain from taking part in determining their own remuneration.

Committee Meetings

The Committee formally met once during the year under review with the attendance of all its members. Deshamanya D.H.S. Jayawardena, Chairman, Aitken Spence PLC together with Dr. M.P. Dissanayake, Deputy Chairman & Managing Director, Aitken Spence PLC and Ms. D.S.T. Jayawardena, Executive Director, Aitken Spence PLC attended the meeting by invitation.

The Remuneration Policy

The Group follows a formal and transparent procedure to decide on the remuneration packages for individual Directors. The Committee considers the importance of formulating remuneration packages that are adequate to motivate, attract and retain the Directors and ensures conformity with the employment conditions of the Group companies and of the relevant industries.

The Group Remuneration Policy which was reviewed by the Committee remained unchanged during the year under review.

Activities during 2019/2020

- » The Committee invited each Managing Director to present their suggestions and recommendations.
- » The direction was given based on sector performance, individual performance and potential, market conditions and respective industry practices.

Responsibilities

The Committee is responsible to the Board for:

- » Determining the policy of the remuneration package of the Directors and the Management Council.
- » Evaluating performance of the Managing Directors, Executive Directors as well as the individual and collective performance of Directors and senior management of the Strategic Business Units.
- » Deciding on overall individual packages, including compensation on termination of employment.

Key Functions of the Committee

Remuneration Policy

- » Evaluated the Group Remuneration Policy against the current market trends and industrial norms.
- » Reviewed and ensured the implementation of the Group Remuneration Policy.
- » Reviewed the policy of the remuneration packages of the Directors and the Management Council.
- » Reviewed the specific application of the Group Remuneration Policy to the Deputy Chairman and Managing Director and Executive Directors and general application to the Key Management Personnel.

Performance Based Remuneration

- » Evaluated the performance of the Managing Directors, Executive Directors as well as the individual and collective

performance of Directors and Senior Management of the Strategic Business Units.

- » Reviewed, monitored and evaluated performance of Key Management Personnel as well as their management development and succession planning.

Performance Incentives

- » Evaluated the achievements as well as unaccomplished targets and results which are used to determine the performance-based incentives based on self-evaluations made by individual Directors.

Remuneration of Deputy Chairman & Managing Director

- » Evaluated the performance of the Deputy Chairman & Managing Director.



G.C. Wickremasinghe

Chairman

Remuneration Committee

Colombo

29th May 2020