

REMUNERATION COMMITTEE REPORT

Composition			
			Member Since
Chairman	Mr. G.C. Wickremasinghe	Independent Non-Executive	2002
Members	Mr. R.N. Asirwatham	Independent Non-Executive	2010
	Mr. C.H. Gomez (appointed w.e.f. 01.07.2016)	Independent Non-Executive	2016
Attendance by invitation	Deshamanya D.H.S. Jayawardena	Chairman, Aitken Spence PLC	
	Mr. J.M.S. Brito	Deputy Chairman and Managing Director, Aitken Spence PLC	
	Ms. D.S.T. Jayawardena	Executive Director, Aitken Spence PLC	

Meetings			
Attendance of the Members			
Date of the Meeting			25.06.2016
Chairman	Mr. G.C. Wickremasinghe		✓
Members	Mr. R.N. Asirwatham		✓
	Mr. C.H. Gomez (appointed w.e.f. 01.07.2016)		-

✓ present * excused t via teleconference

COMPOSITION OF THE COMMITTEE

The Committee is currently composed of three Independent Non-Executive one of whom functions as the Chairman. The members of the Committee have wide experience and knowledge of finance, business and industry.

The Committee formally met once during the year under review.

INDEPENDENCE OF THE COMMITTEE

The members of the Committee 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.

KEY OBJECTIVE

The Committee advises the Board on the policy to be followed on Executive remuneration packages for individual Directors and Senior Management.

RESPONSIBILITIES

The Committee is responsible to the Board for;

- Determining the policy of the remuneration package of the Directors and the Board of Management,
- 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.

THE SCOPE OF THE COMMITTEE

- Remuneration policy and its specific application to the CEO and Executive Directors and general application to the Key Management Personnel below the Main Board,
- Performance evaluation of the CEO, management development and succession planning,
- Reviewing, monitoring and evaluating performance of Key Management Personnel as well as their management development and succession planning.

KEY FUNCTIONS OF THE COMMITTEE

The Group remuneration policy which was reviewed by the Committee remained unchanged during the year under review.

The Remuneration Committee operates with the key objective of attracting the most suitable talent and retaining them in the Group in order to enhance the performance of the Strategic Business Units. Performance of employees is evaluated using a well structured performance evaluation mechanism that is accepted by all employees thereby ensuring that they are treated equally. The Remuneration Committee approved promotions and the revision of individual remuneration packages after evaluating performance of the Group, Strategic Business Units and the contribution of employees to his/her respective Strategic Business Unit. Cost of living, inflation and comparative industry norms are also given the due consideration in determining the remuneration packages.

No Director was involved in deciding his/her remuneration.

The Remuneration Committee's decisions were made in keeping with these policies.



G.C. Wickremasinghe
Chairman
Remuneration Committee

Colombo
26th May 2017