



# **POLICY**

## **ON REMUNERATION**

## POLICY ON REMUNERATION

This document is issued under the authority of the Board of Directors of Malwatte Valley Plantations PLC (“the Company”) in compliance with the Listing Rules of the Colombo Stock Exchange (“CSE”). Duplication and distribution of this document without an authorized release is strictly prohibited.

### Document Control

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### Document Change Approvals

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## 1. Definitions

The following words and expressions shall have the respective meanings given against each such word:

**“Board”** means the board of directors of the Company;

**“Company”** means Malwatte Valley Plantations PLC

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

**“CSE”** Colombo Stock Exchange.

**“Listing Rules”** means the Listing Rules of the Colombo Stock Exchange; **“Policy”** means this policy governing the board Committees; **“Remuneration”** means cash and all non-cash benefits whatsoever received.

## 2. Purpose

The purpose of this Remuneration Policy of Malwatte Valley Plantations PLC is to establish a fair, competitive, and transparent framework for compensating Directors and employees, aligned with the Company’s strategic objectives, market standards, and legal requirements.

## 3. Scope

This policy applies to Executive and Non-Executive Directors of the Company, all employees, including executives, managers, and staff across all business units and regions.

## 4. Guiding Principles

- **Equity and Fairness:** Remuneration practices shall ensure equity across all levels, considering the role, experience, and performance of employees.
- **Competitiveness:** Compensation packages will be competitive within the industry to attract and retain top talent.
- **Performance-Based:** A significant portion of remuneration will be linked to individual and company performance, aligning employee interests with corporate objectives.
- **Compliance:** The policy will comply with all applicable laws and regulations regarding employee compensation.
- **Transparency:** The remuneration structure and process will be transparent, with clear communication to all employees.

## 5. Components of Remuneration

- **Base Salary:** Employees will receive a base salary that reflects their role, skills, experience, and market rates. The base salary is reviewed annually.
- **Variable Pay:**
  - **Bonuses:** Annual bonuses may be awarded based on company performance, individual performance, and achievement of specific targets. Employees shall not demand the bonus payment.
  - **Benefits:** The company offers a comprehensive benefits package, including health insurance, and other perks. Benefits may vary based on role and location.
  - **Non-Monetary Rewards:** Recognition programs, career development opportunities, and a positive work environment are integral parts of the company's remuneration strategy.

## 6. Performance Management and Appraisal

Performance appraisals will be conducted annually, with feedback and evaluation processes guiding decisions on salary adjustments, bonuses, and promotions. The appraisal system will be objective, focusing on measurable outcomes, competencies, and contributions.

## 7. Governance and Approval

**Management Responsibility:** Department heads and managers are responsible for implementing the remuneration policy and making recommendations based on performance appraisals.

## 8. Review and Amendments

This policy will be reviewed annually by the Remuneration Committee to ensure it remains relevant and competitive. Amendments may be made as necessary, subject to Board approval.

## 9. Compliance and Grievances

Employees who have concerns or grievances about their compensation should follow the company's grievance procedure as laid out in the Company's Policy on Whistleblowing. The company is committed to addressing all concerns promptly and fairly.

Issued By .....

  
Frits Bogtstra – Chairman

*Effective from 1st October, 2024*

