

REMUNERATION POLICY

1. INTRODUCTION

The Remuneration Policy establishes formal and transparent policies and procedures for recommending compensation packages for Directors and Chief Executive Officers (“CEOs”) of Lion Brewery (Ceylon) PLC and the Ceylon Beverage Holdings PLC group of Companies inclusive of Luxury Brands (Pvt) Ltd, Pubs ‘N Places (Pvt) Ltd, Retail Spaces (Pvt) Ltd (‘the Company’). This Policy aims to leverage compensation and benefits to attract, retain, and develop key talent, as the Board of Directors acknowledges the vital role of human capital in achieving the company’s strategic objectives.

The Policy applies to the following:

- Executive Directors
- Non-Executive Directors
- CEO’s

2. REMUNERATION POLICY

2.1 For the purposes of this Policy, the term “remuneration” shall mean cash and all non-cash benefits received whatsoever.

2.2 No Director shall be involved in fixing his/her own remuneration.

2.3 Remuneration will be reviewed annually, and changes will be recommended if the Remuneration Committee deems it necessary.

2.4 Remuneration of Non-Executive Directors

2.4.1 Each Non-Executive Director will be entitled to a monthly fixed fee based on market factors and other requirements to attract and retain appropriate directors. The fee will be reviewed periodically.

2.4.2 The remuneration of Non-Executive Directors shall be decided by the Remuneration Committee and recommended to the Board of Directors, who shall take the final decision.

2.4.3 Non-Executive Directors shall be entitled to reasonable costs and expenses of travel and accommodation if based overseas.

2.5 Remuneration of Executive Directors and CEO

2.5.1 The remuneration of Executive Directors and CEO shall be decided by the Committee and recommended to the Board of Directors, who shall take the final decision.

2.5.2 The remuneration packages will be decided on the basis of facts such as, the size and scope of the duties, skills, experience in the organization and replaceability.

- 2.5.3 Executive Directors and CEO's remuneration shall include fixed monthly compensation and variable compensation, benefits and other work-related facilities and perquisites.
- 2.5.4 The remuneration packages of Executive Directors and CEOs should be designed to be competitive and to motivate and drive them to achieve business targets but should not detract from the goals of corporate governance.
- 2.5.5 Variable compensation will be based on the level of achievement of pre-agreed business targets taking into account the challenges in the operating environment.
- 2.5.6 Executive Directors shall not be entitled to any sitting fees for any Board/Committee meetings they attend.

3. SCOPE, AUTHORITY AND DUTIES OF THE REMUNERATION COMMITTEE

- 3.1 A Remuneration Committee shall be established and operated in accordance with the requirements of the Corporate Governance Rules of the Colombo Stock Exchange. It will operate as a sub-committee of the Board of Directors in charge of overseeing the execution and periodic review of this Policy with the approval of the Board of Directors.
- 3.2 The Remuneration Committee:-
 - 3.2.1 Shall be responsible for the fair application of the Remuneration Policy in a transparent manner. The Remuneration Committee shall also review the Remuneration Policy from time to time to ascertain its appropriateness and relevance, taking into consideration changes in the operating environment.
 - 3.2.2 Shall recommend to the Board, the remuneration payable to the Executive Directors, Non-Executive Directors, CEO's (if any) and/or equivalent position thereof and the Board will make the final determination upon consideration of such recommendations.
 - 3.2.3 The Remuneration Committee may, as it considers appropriate invite the CEO, other senior executive officers, or Directors to participate at any particular meeting.
 - 3.2.4 Shall meet either physically or virtually, not less than twice a year. Two (02) Members shall constitute a quorum. Decisions may also be made *via* circulation. Approvals granted by the majority of Committee members either at a physical meeting or virtual meeting shall be valid and effective.

4. IMPLEMENTATION AND POLICY REVISION

The implementation of this policy is the responsibility of the Board of Directors and this Policy must be reviewed at least once in every two years. It may be amended at any time with the approval of the Board of Directors of the Company.
