



MAHAWELI COCONUT PLANTATIONS PLC

CORPORATE GOVERNANCE POLICIES

Policy on Remuneration

The Remuneration Policy of the Company aims to attract, motivate and retain Executive Directors, Key Management Personnel and other employees with appropriate professional, managerial and operational expertise necessary to achieve the Company's objectives.

I. Executive Director Remuneration

The remuneration committee is responsible for determining the compensation of the Executive Directors of the Company. The remuneration committee operates in conformity with applicable rules and regulations. The remuneration committee is comprised solely of Non-Executive Directors. The members of the remuneration committee, are appointed by the Board on the recommendations of the Nomination and Governance Committee.

II. Non-Executive Director Remuneration

The compensation of Non-Executive Directors was determined in reference to fees paid to other Non-Executive Directors of comparable companies, and adjusted, where necessary, in keeping with the complexity of the Company. Non-Executive Directors were paid additional fees for either chairing or being a member of a Sub-Committee and did not receive any performance/incentive payments/share option plans.

III. Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

- i. Executive Directors: as per their employment contract similar to any other employee.
- ii. Non-Executive Directors: accrued fees payable, if any, as per the terms of their contract.

IV. Retirement Benefits

Non-executive directors are not entitled to retirement benefits.

V. Employee Empowerment

The Company ensures that the necessary policies, processes, and systems are in place to ensure effective recruitment, development and retention of this vital stakeholder. The bedrock of these policies is the Company's competency framework, which has been further refined and updated to reflect the current needs of the Company. To support these policies, the Company continued with, and further strengthened, the following practices.

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights were defined for each level of employment in order to instill a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- A bottom-up approach was taken in the preparation of annual and long-term plans and the Company also ensured employee involvement in strategy, and thereby empowerment.

- Organizational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank, and constructive communication is encouraged at all levels. The Company strongly believes that constructive disagreement is essential for optimal decision-making

VI. Share Option Plans for Directors

The Company does not have a share option plan for Directors.

VII. Personal Loans for Directors

No Director is entitled to Company loans.