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## Policy on Remuneration

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**C. W. MACKIE PLC**

No.36, D. R. Wijewardena Mawatha, Colombo 10

# C. W. Mackie PLC: Policy on Remuneration

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# 1 Introduction

The Remuneration Policy of C. W. Mackie PLC (“CWM”) outlines the principles, procedures and criteria for determining Directors, Key Management Personnel (KMP) and employee remuneration. The total remuneration package will be appropriately balanced to include a combination of fixed remuneration, perquisites, and variable remuneration to promote the Company’s competitiveness and to support the execution of the Company’s strategy.

## 2 Basis

CWM is committed to attracting, retaining and motivating high-calibre talent while aligning remuneration practices with long-term shareholder value. The remuneration will be based on-

1. Competitiveness: Compensation packages should be competitive within the industry to attract and retain top talent.
2. Performance-Driven: Remuneration should be linked to individual and Company performance, emphasizing merit-based rewards.
3. Transparency: Remuneration process should be clear and understandable.
4. Governance and Regulation: Compensation practices shall adhere to Colombo Stock Exchange Rules/regulations, relevant laws and best governance practices.

## 3 Remuneration Committee

1. The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing the Company’s Remuneration Policy and for fixing the remuneration packages of individual Directors, including Executive Directors.
2. Non-Executive Directors shall be compensated based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.
3. The Remuneration Committee shall recommend the remuneration payable to the Executive Directors of the Company and/or equivalent position thereof to the Board of CWM, which will make the final determination upon consideration of such recommendations.
4. The Remuneration Committee shall regularly observe and evaluate the effectiveness of the Company’s remuneration schemes to ensure that the selected measures and structures foster the Company’s business strategy and long-term financial success.
5. The Remuneration Committee may recommend reimbursement to any Non-Executive Director for such fair and reasonable expenditure, as may have been incurred for attending meetings with the Company’s shareholders, creditors, management, site visits, court cases, induction and training organized by the Company for Directors.
6. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors or carry out salary surveys of the relevant sector periodically to ascertain the market competitiveness of the remuneration to be paid.

## 4 Remuneration of Executive Directors

The remuneration of Executive Directors, including the Chairperson/Chief Executive Officer, should be structured to balance fixed and variable components, ensuring that a reasonable balance is maintained between base pay and performance-based pay. Key elements of Executive Directors remuneration include:

1. **Base Salary:** A competitive fixed salary reflecting the Executive Director's role and responsibilities.
2. **Performance Bonuses:** Variable pay, based on individual and Company performance targets, linked to specific key performance indicators.
3. **Equity-Based Awards:** Stock options or other equity incentives to align executive interests with long-term shareholder value.
4. **Benefits and Perquisites:** Non-cash benefits and perks in line with Company policies and market practices.

## 5 Executive Remuneration

The remuneration of executives should be structured to balance fixed and variable components, ensuring that a reasonable balance is maintained between base pay and performance-based pay. Key elements of executive remuneration include:

1. **Base Salary:** A competitive fixed salary reflecting the executive's role and responsibilities.
2. **Performance Bonuses:** Variable pay, based on individual and Company performance targets, linked to specific key performance indicators.
3. **Benefits and Perquisites:** Non-cash benefits and perks in line with Company policies and market practices.

## 6 Employee Remuneration

The remuneration of employees below the level of Key Management Personnel shall be decided by the Chairperson/Chief Executive Officer in accordance with the Company Remuneration Policy with or without consultation with the Directors. The remuneration will be competitive and fair, considering industry benchmarks and regional compensation standards. Key components of employee remuneration include:

1. **Base Salary:** A competitive fixed salary commensurate with job roles and market conditions.
2. **Performance Bonuses:** Variable pay tied to individual and team performance, as per established criteria.
3. **Benefits and Welfare:** Provision of employee benefits, such as medical insurance, retirement plans and other welfare benefits.

Performance-based remuneration shall be linked to well-defined performance metrics, aligning individual and Company goals. Metrics may include financial, operational, and non-financial indicators that are relevant to the Company's success and strategy.

## 7 Approval, Revision & Dissemination of the Policy

1. The Policy should be revised as deemed necessary, particularly in the event of changes in law and authoritative sources of best practice in Corporate Governance. However, it will be reviewed and revised at least every two (2) years to ensure that it is updated to reflect developments in relation to the subject.
2. The Nominations and Governance Committee has reviewed and recommended this Policy which has been approved by the Board.
3. The Policy is uploaded on the website of the Company in accordance with CSE Listing Rules.