

**SATHOSA MOTORS PLC**



**Policy on Remuneration**

**Sathosa Motors PLC**  
**25, Vauxhall Street, Colombo 02**  
**30<sup>TH</sup> SEPTEMBER 2024**

## **Remuneration Policy Statement – Sathosa Motors PLC (SML)**

### **1. Introduction**

The Remuneration Policy of Sathosa Motors PLC (SML) establishes the principles, procedures, and criteria for determining the remuneration of directors, key management personnel (KMP), and employees. The total remuneration package at SML will consist of a combination of fixed compensation, benefits, and variable pay, designed to promote competitiveness and support the execution of the company's strategy.

### **2. Basis**

SML is committed to attracting, retaining, and motivating high-caliber talent while aligning remuneration with long-term shareholder value. The company's remuneration policy is based on:

**Competitiveness:** Compensation packages will be competitive within the industry to attract and retain top talent.

**Performance-Driven:** Remuneration will be linked to both individual and company performance, rewarding merit and excellence.

**Transparency:** The remuneration process will be transparent and understandable to all stakeholders.

**Governance and Regulation:** Compensation practices will adhere to CSE regulations, relevant laws, and best governance practices.

### **3. Remuneration Committee**

The Remuneration Committee is responsible for establishing formal, transparent procedures for determining executive remuneration and ensuring non-discriminatory pay practices for non-executive directors. The committee will regularly evaluate the effectiveness of the company's remuneration schemes and may engage external consultants when necessary.

### **4. Remuneration of Executive Directors**

Executive directors' remuneration, including that of the Chairman, will balance fixed and variable components. Key elements include:

**Base Salary:** A competitive fixed salary based on the executive's role and responsibilities.

**Allowances:** Fixed allowances paid monthly.

**Performance Bonuses/Incentives:** Variable pay tied to individual and company performance.

**Equity-Based Awards:** Stock options or other equity incentives aligned with long-term shareholder value.

**Benefits and Perquisites:** Non-cash benefits aligned with company policies.

## **5. Employee Remuneration**

Employee remuneration at SML is designed to attract and retain talent while rewarding performance. It includes:

Base Salary: Competitive, market-aligned fixed pay.

Allowances: Fixed monthly allowances.

Performance Bonuses/Incentives: Pay linked to individual and team performance.

Benefits and Welfare: Medical insurance, retirement plans, and other welfare benefits.

Ex-Gratia: Discretionary payments based on justifiable needs, recommended by the CEO/MD and approved by the Remuneration Committee.

## **6. Approval, Revision & Dissemination**

The Remuneration Policy will be reviewed periodically and approved by the Board of Directors, with revisions made in accordance with legal or governance changes. The Company Secretary will ensure that updates are communicated to all directors and published in accordance with CSE Listing Rules.

**PASSED BY THE BOARD OF DIRECTORS THROUGH A CIRCULATED RESOLUTION ON 30<sup>TH</sup> SEPTEMBER 2024.**