



POLICY ON REMUNERATION
OF
LANKA MILK FOODS(CWE) PLC

Lanka Milk Food (CWE) PLC (“LMF”)

Statement on Remuneration

Introduction

The role of the Board of Directors (“Board”) is to provide entrepreneurial leadership of LMF (“Company”) and its subsidiaries (together, the “Group”). The purpose of this Policy is to establish the relevant criteria and guidelines in respect of the remuneration paid to Directors and Senior Management of the Company.

Remuneration of the Board

The policy on Director remuneration aims to attract and retain qualified Board members with the necessary skills and experience to drive the Group’s growth and sustainability. Directors receive fixed fees for their attendance at Board and sub-committee meetings, which may be reviewed annually based on their expertise and level of involvement. Additionally, the Board may approve payments or benefits for services rendered by Directors in other capacities or compensation for loss of office, provided such actions are deemed fair to the Company. Directors are also reimbursed for expenses related to their duties, and may receive further remuneration for holding additional roles within the Company. The Board ensures compliance with the Companies Act and the Company’s Articles when determining Director compensation.

Employment Remuneration Structure

The Company ensures that employees are fairly compensated for their services, adhering to relevant legal requirements.

Performance Appraisal

The Company mandates an annual performance review for employees, evaluating their contributions against the Company's strategic achievements and key performance indicators. Senior Management's performance is reviewed annually.

New Recruitments

The Company ensures that remuneration packages for new recruits align with its existing policy. The recruitment policy aims to offer competitive compensation to attract, retain, and motivate candidates with the necessary skills for the role. When determining a new recruit's remuneration, the Company considers factors such as the candidate's experience, qualifications, and previous compensation.

Governance and Review

This Policy is governed by the Remuneration Committee. To maintain its effectiveness and ensure compliance with regulatory requirements and governance standards, the Committee will oversee its implementation, conduct periodic reviews, and propose any necessary amendments to the Board for final approval.

