



# POLICY ON REMUNERATION

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Company Secretary

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## 1. Introduction

This Remuneration Policy of Overseas Realty Ceylon PLC (“ORCL”), a listed company on the Colombo Stock Exchange (CSE), outlines the principles, procedures, and criteria for determining executive and employee remuneration. The policy is designed to ensure fairness, transparency, and alignment with the company's performance and strategic objectives.

## 2. Remuneration Philosophy

ORCL is committed to attracting, retaining, and motivating high-caliber talent while aligning remuneration practices with long-term shareholder value. The remuneration philosophy is built on the following principles:

- **Competitiveness:** Compensation packages should be competitive within the industry to attract and retain top talent.
- **Performance-Driven:** Remuneration should be linked to individual and company performance, emphasizing merit-based rewards.
- **Transparency:** The remuneration process should be clear and understandable to all stakeholders.
- **Governance and Regulation:** Compensation practices should adhere to CSE regulations, relevant laws, and best governance practices.

## 3. Non-Executive Directors Remuneration

The Nominations Committee shall establish a framework of remuneration of non-executive Board Members. All non-executive board members should receive the same board fee although it could be varied for additional duties undertaken such as Chairing of board committees. Non-executive board members shall not receive payments other than those related to their directorships except for agreed upon reimbursements of meeting related expenses.

## 4. Executive Remuneration

The remuneration of executive directors, including the CEO and other key executives, should be structured ensuring a balance between fixed and variable components. Key elements of executive remuneration include:

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

## 5. Employee Remuneration

The remuneration of employees shall be competitive and fair, taking into account industry benchmarks and regional compensation standards. Key components of employee remuneration include:

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

## 6. Performance Metrics

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. Governance and Disclosure

ORCL shall ensure that executive and employee remuneration practices comply with CSE regulations and governance guidelines. The company shall disclose remuneration policies and practices in its annual reports.

## 8. Review and Amendment

This policy shall be reviewed periodically to ensure alignment with corporate governance best practices and regulatory requirements. Amendments may be made when necessary.

## 9. Conclusion

ORCL is committed to maintaining a fair and transparent remuneration structure that reflects market conditions, individual and company performance, and long-term shareholder value. This policy provides guidance on remuneration practices to ensure that compensation aligns with the company's goals and objectives.