

LANKA ALUMINIUM INDUSTRIES PLC

REMUNERATION POLICY

1. PURPOSE AND OBJECTIVE

The primary goal of this policy is to provide a transparent, fair, and performance-aligned framework for determining the remuneration of the Directors and Key Management Personnel (KMP) of Lanka Aluminium Industries PLC. This policy aims to attract, retain, and motivate individuals of the highest caliber, aligning their interests with the company's strategic objectives to ensure long-term success.

2. SCOPE AND ADMINISTRATION

This policy is overseen by the Remuneration Committee and applies to all Board members, including Executive and Non-Executive Directors, and Key Management Personnel. The committee is responsible for establishing remuneration packages, conducting annual reviews, and ensuring alignment with market standards and company objectives.

3. REMUNERATION PRINCIPLES

- **Competitiveness:** Remuneration levels will be competitive, benchmarked against industry standards, to attract and retain qualified personnel.
- **Fairness and Equity:** Remuneration will be consistent with the role's responsibilities, contributions, and market trends.
- **Performance Alignment:** A portion of remuneration will be tied to both company performance and individual contributions, especially for Executive Directors and KMP.
- **Transparency:** All decisions related to remuneration will be documented and conducted with transparency, with regular reviews by the Remuneration Committee.

4. REMUNERATION COMPONENTS

1. Executive Directors and KMP:

- **Fixed Pay:** Comprises a base salary, reflective of responsibilities, experience, and market benchmarks.
- **Variable Pay:** Includes performance-based incentives such as annual bonuses tied to the achievement of financial and strategic objectives.
- **Long-Term Incentives:** Other long-term incentives may be awarded to align interests with long-term company goals.

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- **Benefits:** Executive Directors and KMP may receive additional benefits as determined by the Remuneration Committee, such as retirement benefits and health insurance.

2. Non-Executive Directors:

- **Fixed Monthly Fee:** Non-Executive Directors will receive a fixed retainer and additional fees for Board and committee meetings, reflecting their involvement and expertise.
- **Reimbursement:** Directors are entitled to reimbursement for expenses directly related to their duties, including travel and accommodation.

5. GOVERNANCE AND APPROVAL

The Remuneration Committee will review and recommend all remuneration packages, ensuring they align with market conditions and company strategy. Recommendations are subject to Board approval, which will conduct periodic reviews to adapt to evolving market conditions and business needs.

6. POLICY REVIEW

This policy will undergo regular reviews by the Remuneration Committee, and updates will be recommended to the Board as necessary to ensure continued effectiveness and alignment with industry standards and company objectives.

Effective Date:

This policy is effective from 1st October 2024.