

SINGER FINANCE

POLICY ON REMUNERATION **In Compliance with CSE Listing Rule 9.2.1 (d)**

VERSION 3.0

SINGER FINANCE (LANKA) PLC

POLICY ON REMUNERATION

Document Type

Policy document

Document Name

Policy on Remuneration

Document No

CSE Policies - 4

Version/Revision

3.0

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on

24/09/2024

SINGER FINANCE (LANKA) PLC
POLICY ON REMUNERATION

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1. PURPOSE & POLICY

The remuneration policy of Singer Finance (Lanka) PLC applies to all employees at Singer Finance PLC. The management has adopted the remuneration policy on the recommendation of the Remuneration Committee.

The policy and the general incentive structures reflect the company objectives for good corporate governance as well as sustained and long-term value creation for shareholders. In addition, it ensures that

- The Company is able to attract, develop and retain high-performing and motivated employees in a competitive market
- Employees are offered a competitive and market aligned remuneration package making fixed salaries a significant remuneration component
- Comply with labor laws and regulations
- Employees feel encouraged to create sustainable results

The policy and the company incentive structures focus on ensuring sound and effective risk management through

- A stringent governance structure for setting goals and communicating these goals to employees
- Alignment with the company's business strategy, values and long-term goals

2. PROCEDURE

At least annually, during the performance and appraisal dialogues, the individual employees and managers evaluate and document performance in the past period/ year and set new goals. Decisions on adjustment, if any, of the employee's fixed salary or on annual performance-based pay are made on the basis of these dialogues.

The remuneration components are:

- 2.1.Fixed remuneration (Basis Salary)
- 2.2.Performance-based remuneration (variable pay)
- 2.3.Allowance and Benefits

2.1. Fixed Remuneration

The fixed remuneration is determined on the basis of the role and position of the individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. Fixed salary is payable in cash through payroll.

2.2. Performance-based Remuneration

The performance-based remuneration motivates, rewards and drives the right behavior and performance according to set expectations for the employee, reflecting specific requirements for performance in the company, business unit and individual levels. This rewards and-promotes the achievement of our financial, strategic and operative goals in accordance with business strategy

The Management has determined a maximum percentage of performance-based remuneration relative to the fixed remuneration in order to ensure an appropriate balance between fixed and variable pay. This percentage varies according to the type of position held by the employee and the business unit in which the employee is employed.

2.3. Allowance and Benefits

In addition to the fixed and variable pay, the Company offers a range of benefits including:

- 2.3.1. Provident fund
- 2.3.2. Vehicle Loan Scheme
- 2.3.3. Vehicle Maintenance Allowance
- 2.3.4. Other benefits
- 2.3.5. Employee incentives
- 2.3.6. Increments

2.3.1. Provident Fund

Currently, the company and employees contribute to the Mercantile Service Provident Society (MSPS)

2.3.2. Vehicle Loan Scheme

Vehicle loan scheme is provided as per the position and job requirement. There are two categories in vehicle loan scheme

- Vehicle loan with interest
- Vehicle loan without interest

2.3.3. Vehicle Maintenance Allowance

Those who are provided with vehicle loan scheme is given a vehicle maintenance allowance. This may differ according to the employee designations and employee grade.

2.3.4. Other benefits

Benefits are provided in accordance with local market practice and as per the group stipulated.

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practice. Other benefits may comprise Ex: Medical cover, Hospitalization cover, ability to purchase Singer products on credit and cash discounts, and as well an Education aid scheme

2.3.5. Employee Incentives

In order to achieve annual performance goals and objectives, management set incentive scheme based the annual and monthly performance targets. This may vary according to the internal and external factors.

2.3.6. Increments

An annual increment is provided for both executive and non-executive employees according to the final rating of the annual performance evaluation process. The rate of increment and the decision whether to consider an increment will depend on the Company's performance for the year under consideration.

3. DEVIATIONS FROM THE REMUNERATION POLICY

- The management, upon recommendation of the Remuneration Committee and endorsed by the Board, may temporarily deviate from any sections of this Policy
- Deviations may occur upon material changes in the company structure, organization, ownership, and business (for example, merger, takeover, demerger, acquisition, etc.), which may require adjustments to remuneration elements to ensure continuity of management. The board shall approve any such deviations on the recommendation of the remuneration committee.



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