Policy on Remuneration

SEPTEMBER 30, 2026

MULLER & PHIPPS (CEYLON) PLC
No. 98, Sri Sangaraja Mawatha, Colombo 10

Muller & Phipps (Ceylon) PLC: Policy on Remuneration

Contents

1 Introduction 2

2 Basis 2

3 Remuneration Committee 2

4 Remuneration of Executive Directors 3

5 Executive Remuneration 3

6 Employee Remuneration 3

7 Approval, Revision & Dissemination of the Policy 4

1 Introduction

The Remuneration Policy outlines the principles, procedures, and criteria for determining directors, key management personnel (KMP) and employee remuneration. The total remuneration package of Muller & Phipps (Ceylon) PLC ("M&P") will be appropriately balanced to include a combination of fixed remuneration, perquisites, and variable remuneration to promote the Company's competitiveness and to support the execution of the Company's strategy.

2 Basis

M&P is committed to attracting, retaining, and motivating high-caliber talent while aligning remuneration practices with long-term shareholder value. The remuneration will be based on;

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

3 Remuneration Committee

1. The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing the Company's Remuneration Policy and for fixing the remuneration packages of individual Directors including Executive Directors.
2. Non-Executive Directors shall be compensated based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.
3. The Remuneration Committee shall recommend the remuneration payable to the Executive Directors of the Company and/or equivalent position thereof to the Board of M&P which, will make the final determination upon consideration of such recommendations.
4. The Remuneration Committee shall regularly observe & evaluate the effectiveness of the Company's remuneration schemes to ensure that the selected measures & structures foster the Company's business strategy and long-term financial success.
5. The Remuneration Committee may recommend reimbursement to any Non-Executive Director for such fair and reasonable expenditure, as may have been incurred for attending court cases, meetings with shareholders / creditors / management, site visits, induction and training organised by the Company for Directors.
6. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors.

4 Remuneration of Executive Directors

The remuneration of executive directors including the CEO, should be structured to balance fixed and variable components, ensuring that a reasonable balance is maintained between base pay and performance-based pay. Key elements of executive remuneration include:

1. Base Salary: A competitive fixed salary reflecting the exe cutive's role and responsibilities.
2. Performance Bonuses: Variable pay, based on individual and company performance targets, linked to specific key performance indicators.
3. Equity-Based Awards: Stock options or other equity incentives to align executive interests with long-term shareholder value.
4. Benefits and Perquisites: Non-cash benefits and perks, in line with company policies and market practices.

5 Executive Remuneration

The remuneration of executives should be structured to balance fixed and variable components, ensuring that a reasonable balance is maintained between base pay and performance-based pay. Key elements of executive remuneration include:

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

6 Employee Remuneration

The remuneration of employees below the level of Key Management Personnel shall be decided by the Managing Director in accordance with the Company Remuneration Policy with or without consultation with the Directors. The remuneration will be competitive and fair, considering industry benchmarks and regional compensation standards. Key components of employee remuneration include:

1. Base Salary: A competitive fixed salary commensurate with job roles and market conditions.
2. Performance Bonuses: Variable pay tied to individual and team performance, as per established criteria.
3. Benefits and Welfare: Provision of employee benefits, such as medical insurance, retirement plans, and other welfare benefits.
4. 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 Approval, Revision & Dissemination of the Policy

1. The policy should be revised as deemed necessary, particularly in the event of changes in law and authoritative sources of best practice in corporate governance. However, it will be reviewed and revised at least every two years to ensure that it is updated to reflect developments in relation to the subject.
2. The Nominations and Governance Committee has reviewed and recommended this policy which has been approved by the Board.
3. The policy is updated on the website of the Company in accordance with CSE Listing Rules.

MULLER & PHIPPS (CEYLON) PLC

Policy on Remuneration

Approved at the Board Meeting on .....

.....
Chairman

Circulated to the Directors on .....

Uploaded to Website on .....

.....
Company Secretary