



Policy on Remuneration

WindForce PLC



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WINDFORCE PLC

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WindForce: Policy on Remuneration

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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 WindForce 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.

Any capitalized term not specifically defined herein shall have the meaning therefor set forth in the Listing Rules of the Colombo Stock Exchange (CSE Listing Rules).

2 Basis

WindForce 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;

- A. **Competitiveness:** Compensation packages should be competitive within the industry to attract and retain top talent.
- B. **Performance-Driven:** Remuneration should be linked to individual and company performance, emphasizing merit-based rewards.
- C. **Transparency:** The remuneration process should be clear and understandable to all shareholders.
- D. **Governance and Regulation:** Compensation practices shall adhere to rules and regulations of the Colombo Stock Exchange (CSE), relevant laws, and best governance practices

3 Remuneration Committee

- A. The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors.
- B. Non-Executive Directors shall be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.
- C. The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and the Chief Executive Officer (CEO) of the Company and/or equivalent position thereof to the Board of WINDFORCE which, will make the final determination upon consideration of such recommendations.
- D. 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.
- E. 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.

- F. 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 and CEO.

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:

- A. Base Salary: A competitive fixed salary reflecting the executive's role and responsibilities.
- B. Performance Bonuses: Variable pay, based on individual and company performance targets, linked to specific key performance indicators.
- C. Equity-Based Awards: Stock options or other equity incentives to align executive interests with long-term shareholder value.
- D. 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:

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

6 Employee Remuneration

The remuneration of employees shall be decided by the CEO with or without the Directors. The remuneration will be competitive and fair, considering industry benchmarks and regional compensation standards. Key components of employee remuneration include:

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

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

- A. 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 must be reviewed and revised at least every two years to ensure that it is updated to reflect developments in relation to the subject.
- B. The Nominations and Corporate Governance Committee is responsible for the initial review and recommendations to the Board and may obtain the services of the Company Secretary and Management in this regard.
- C. The policy shall be approved by the Board of Directors and signed by the Chairperson.
- D. Upon revision of the policy, the Company Secretary will ensure that:
 - a) all directors are informed of the revisions
 - b) the policy is updated on the website of the Group/Company in accordance with CSE Listing Rules