



REMUNERATION POLICY

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1. OBJECTIVE

The primary objective is to establish a structured remuneration mechanism in compliance with applicable directions of the Central Bank of Sri Lanka based on which, the business strategy is aligned according to the principles of equity, honesty and risk management.

2. SCOPE

This policy applies to all full time employees of LB Finance PLC including Executive and Non-Executive Directors of the Company. This policy does not apply to those who are on service contracts.

3. RESPONSIBILITY

The overall responsibility for the implementation of the Employee Remuneration Policy within LB Finance PLC rests with the Board of Directors. The Human Resources department is responsible for reviewing and updating the policy periodically.

4. REMUNERATION STRUCTURE

LB Finance PLC (the Company) remuneration structure relating to salaried employees is comprised of the following remuneration elements:

Remuneration Element	Key Objective
Guaranteed / Fixed Remuneration (Base Salary)	<ul style="list-style-type: none">• To provide the base element of remuneration that reflects the employee's role/position in the Company and is payable for carrying out the tasks assigned in an effective manner.• Ensure that the Company attracts and retains talented high-performing people by providing a remuneration package that is in line with the market standards.

Variable remuneration	<p>Variable Remuneration shall be based on relevant, pre-determined and measurable criteria linked to the Company's corporate values, business strategy goals, long-term interests of its shareholders and clients, and risk management.</p> <p>Variable Remuneration shall be structured to encourage employees who interact directly with customers, to engage in responsible business conduct.</p>
Short-term performance-based remuneration (variable pay)	<p>To create a performance culture by rewarding individuals/teams for achieving strong results in terms of pre-determined targets.</p> <p>Management shall ensure that employees are given sales targets which are realistic and within the personal capacity of such employees.</p>
Long-Term Incentives (Retention Incentives)	<p>To attract, motivate, retain and reward high performing employees who are able to influence the performance and strategic directions of the Company. (Conditional on continued employment and satisfactory individual performance)</p>
Recognition Incentives	<p>Any form of incentive to recognize special achievements of the employee including qualifications relevant to individual job role.</p>

5. CONFIDENTIALITY

It is the policy of LB Finance PLC that remuneration information is maintained with strict confidentiality.