
 <small>THE KANDY HOTELS COMPANY (1938) PLC</small>	THE KANDY HOTELS COMPANY (1938) PLC - POLICY DOCUMENT	
	POLICY ON REMUNERATION	
	Effective from 30.09.2024	Document No: PO- KHC/2024/004/VERSION 1

Scope	<p>The Board of Directors of The Kandy Hotels Company (1938) PLC (hereinafter referred to as ‘the Company’ or ‘KHC’) recognizes that the establishment of a robust policy on remuneration for both the Board of Directors and Key Managerial Personnel (‘KMPs’) is crucial for ensuring that compensation practices are equitable, competitive, and aligned with the strategic objectives of the Company. A well-defined remuneration policy not only enhances the effectiveness of the Board and KMPs but also reinforces a culture of accountability and performance within the Company.</p> <p>The objectives of this policy are as follows:</p> <ul style="list-style-type: none"> ▪ To attract, retain, and motivate highly qualified individuals to serve as directors and KMPs. ▪ To ensure alignment between the interests of stakeholders and those of the Board and KMPs. <p>This policy is applicable to all members of the Board of Directors and KMPs, as defined by relevant laws and regulations.</p> <p>This policy on Remuneration (‘the Policy’) has been formulated in accordance with Rule 9.2.1(d) of the listing rules of the Colombo Stock Exchange (‘CSE’).</p>	
Policy measures	Commitment to 100% adherence	
Definitions	The Company	The Kandy Hotels Company (1938) PLC
	Policy	Policy on Remuneration of The Kandy Hotels Company (1938) PLC
	Board	The Board of Directors of The Kandy Hotels Company (1938) PLC
	Corporate website	www.chcplc.com
	CSE	Colombo Stock Exchange
Responsibility	This policy shall be subjected to an annual review by the Board of Directors (the ‘Board’) and revised as necessary to accommodate shifts in the regulatory landscape or modifications in the business strategy.	
Benchmarking		
1.1	Remuneration will be rigorously benchmarked against comparable organizations, with an annual review conducted to maintain competitiveness and ensure alignment with prevailing industry standards. Additionally, independent compensation consultants will be engaged as needed to provide expert insights and validate our compensation practices.	
Ethical Considerations		
2.1	The Company’s remuneration policy shall be designed to mitigate the potential for excessive risk-taking and to prevent the promotion of unethical behavior.	
Remuneration policy of Board of Directors		
3.1	The Remuneration Committee will submit its recommendations concerning the Remuneration Policy to the Board of Directors and Key Management Personnel (‘KMP’). This committee is responsible for establishing and maintaining a formal, transparent process for developing the remuneration policy for Executive Directors, KPMS and for determining the compensation packages for Non-Executive Board members.	
3.2	To ensure the integrity of the process, it is crucial that no Director is involved in the determination of their own remuneration, thereby safeguarding objectivity and impartiality in all decisions related to compensation.	

Reviewed & Confirmed		Approved by	
Shalike Karunasena	Director / Group CFO	Board of Directors	

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Disclosure	
4.1	The total aggregated remuneration paid to Directors will be transparently disclosed in the Annual Report, thereby ensuring accountability and providing stakeholders with valuable insights into the Company's governance and compensation practices.
Publication of the policy	
5.1	The policy is made available in the Company's corporate website for the perusal of its stakeholders. Any clarifications regarding the policy should be directed to the Group Chief Financial Officer.
Policy Output	Fair and transparent Remuneration Structure for Directors and KMPs
Policy Records	Policy on Remuneration

Reviewed & Confirmed		Approved by	
Shalike Karunasena	Director / Group CFO	Board of Directors	