

# THE REMUNERATION COMMITTEE REPORT

The Remuneration Committee is a subcommittee of the Board. The members of the Committee consist of three Independent Directors and a Non-Executive Director. The Chairman of the Committee who is an Independent Director and the members of the Committee were appointed by the Board.

The Committee was established for the purpose of recommending the remuneration of the Board of Directors including Chairman/Chief Executive Officer and the Senior Management.

The Committee has acted within the parameters set by its terms of reference.

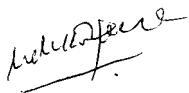
The terms of references that is currently applicable to the Remuneration Committee was approved by the Board of Directors on 111.

The Chairman of the Board attends the Committee meetings by invitation. He does not participate in any discussion pertaining to his remuneration. The decisions on matters relating to remuneration of Executive Directors and Senior Members of the management team were arrived at in consultation with Chairman/CEO. No Director is involved in determining his own remuneration.

The remuneration packages which are linked to the individual performances are aligned with the Company's short-term and long-term strategy. The Committee makes every endeavour to maintain remuneration levels that are sufficient to attract and retain Executive Directors and Members of the management team, to run the Company successfully. This is considered to be the Remuneration Policy of the Company.

The Directors' emoluments are disclosed on page 149.

The Committee meets as and when a need arises. The Remuneration Committee meetings and members attendance is given in page 107 under Enterprises Governance Report.



**Dr. U.P. Liyanage**

Chairman - Remuneration Committee

Colombo  
18th May 2010