

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 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 the Chairman/CEO. No Director is involved in determining his own remuneration.

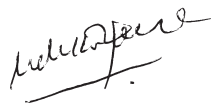
Our remuneration policy is designed to reward, motivate and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of our business and the creation of shareholder value.

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.

All Non-Executive Directors receive a fee for serving at Board meetings and serving on sub-committees, special committees and/or subsidiary boards. They do not receive any performance or incentive payments.

The Directors' emoluments are disclosed on page 177.

The Committee meets as and when a need arises. The Remuneration Committee meetings and members attendance is given on page 113 under Corporate Governance Report.



Prof. U. Liyanage

Chairman - Remuneration Committee

Colombo
3rd June 2011