

# **Lake House Printers & Publishers PLC**

## **Policy Statement on Remuneration**

### **1. Introduction**

The Board of Directors (the "Board") of Lake House Printers & Publishers PLC ("the Company") recognizes that a fair, transparent, and competitive remuneration policy is essential to attract, retain, and motivate Directors and senior management to lead the Company effectively and sustainably. This policy statement outlines the framework for setting remuneration, in compliance with the Continuing Listing Rules of the Colombo Stock Exchange (CSE)

### **2. Guiding Principles**

The Company's remuneration policy is guided by the following principles:

Alignment with Strategy: To support the Company's long-term strategy and business objectives.

Performance Linkage: To reward employees fairly by linking a portion of their remuneration to individual and organizational performance and goals.

Market Competitiveness: To offer competitive remuneration that enables the attraction and retention of talent necessary for the Company's success.

Transparency and Accountability: To ensure the policy is transparent and applied consistently, with clear accountability for decisions made.

### **3. Role of the Remuneration Committee**

The Board has established a Remuneration Committee, the terms of which are formally documented. The Committee comprises exclusively of Non-Executive Directors, a majority of whom, including the Chairman of the Committee, are Independent.

The primary responsibilities of the Remuneration Committee include:

Making recommendations to the Board regarding the remuneration to be paid to Executive Directors and officers holding equivalent positions within the Company.

Determining specific remuneration packages for Executive Directors and officers holding equivalent positions within the Company, including bonuses, incentive payments, and other benefits.

Reviewing and recommending the fees for Non-Executive Directors.

Ensuring that contractual terms on termination, and any payments made, are fair to the individual and the Company, are based on performance, and are not a reward for failure.

Also Administering the Company's long-term incentive plans, if any.

#### **4. Remuneration Structure for the Board of Directors**

##### **a) Executive Directors:**

The remuneration package for Executive Directors is designed to reflect their responsibilities, experience, and performance. It typically comprises:

Base Salary: A fixed component, reviewed annually.

Benefits: Includes provident fund, medical insurance, fuel and vehicles and other benefits as per Company policy.

##### **b) Non-Executive Directors:**

Non-Executive Directors receive a fixed fee for their services, which reflects the time commitment and responsibilities of their role. The fees are structured as:

A base fee for Board membership.

Additional fees for chairing Board Committees (Audit, Remuneration, etc.).

#### **5. Remuneration for Senior Management**

Senior management remuneration packages consist of a fixed base salary and a variable performance-related bonus component, linked to individual, divisional, and corporate performance.

#### **6. Disclosure**

The Company is committed to providing clear and comprehensive disclosure of its remuneration policy and practices in the Annual Report, including the detailed Remuneration Committee Report as stipulated by the CSE Listing Rules.

#### **7. Review of Policy**

This policy is reviewed annually by the Remuneration Committee to ensure it remains aligned with the Company's strategic goals, shareholder interests, and best market practices.