



Policy on Remuneration

H V A FOODS PLC



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H V A FOODS PLC

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HVA FOODS PLC : Policy on Remuneration

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1 Introduction

The Remuneration Policy outlines the principles, procedures, and criteria for determining directors, key management personnel (KMP) and employee remuneration. The total remuneration package of the company will be appropriately balanced to include a combination of fixed remuneration, perquisites, and variable remuneration to promote the Company's competitiveness and to support the execution of the Company's strategy.

2 Basis

H V A FOODS PLC (hereinafter referred to as the Company) is committed to attracting, retaining, and motivating high-caliber talent while aligning remuneration practices with long-term shareholder value. The remuneration will be based on;

- A. Competitiveness: Compensation packages should be competitive within the industry to attract and retain top talent.
- B. Performance-Driven: Remuneration should be linked to individual and company performance, emphasizing merit-based rewards.
- C. Transparency: The remuneration process should be clear and understandable to all shareholders.
- D. Governance and Regulation: Compensation practices shall adhere to CSE regulations, relevant laws, and best governance practices

3 Remuneration Committee

- A. The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors.
- B. Non-Executive Directors shall be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.
- C. The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chairman of the Company and/or equivalent position thereof to the Board of H V A FOODS PLC which, will make the final determination upon consideration of such recommendations.
- D. The Remuneration Committee shall regularly observe & evaluate the effectiveness of the Company's remuneration schemes to ensure that the selected measures & structures foster the Company's business strategy and long-term financial success.
- E. The Remuneration Committee may recommend reimbursement to any Non-Executive Director for such fair and reasonable expenditure, as may have been incurred for attending court cases, meetings with shareholders / creditors / management, site visits, induction and training organized by the Company for Directors.
- F. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and Chairman.

4 Remuneration of Executive Directors

The remuneration of executive directors including the Chairman, should be structured to balance fixed and variable components, ensuring that a reasonable balance is maintained between base pay and performance-based pay. Key elements of executive remuneration include:

- A. Base Salary: A competitive fixed salary reflecting the executive's role and responsibilities.
- B. Allowances: Fixed allowances paid on a monthly basis with payroll.
- C. Performance Bonuses/ Incentives: Variable pay, based on individual and company performance targets, linked to specific key performance indicators.
- D. Equity-Based Awards: Stock options or other equity incentives to align executive interests with long-term shareholder value.
- E. Benefits and Perquisites: Non-cash benefits and perks, in line with company policies and market practices including various reimbursements.

5 Employee Remuneration

The remuneration policy for team members is designed to ensure that we attract and retain the right people whilst compensating and rewarding them based on the job role and the level of performance, to suit the business strategy and financial results of each subsidiary, in compliance with the prevailing statutory requirements.

We attempt to ensure that there is uniformity across a given job group, in terms of the remuneration package, whilst differentiating and recognizing job roles with scarce skills and know-how. Selected components are aligned across the Company where uniformity is maintained based on selected criteria such as job group and seniority.

Following guidelines are set for further details:

1. Salary Review Guidelines
2. Team Member Bonus Guidelines
3. Incentive Policy

The final approval in relation to any change in remuneration lies with the CEO, vetted by the Human Resources Manager. All annual reviews would require prior approval of the Remuneration Committee.

The remuneration will be competitive and fair, considering industry benchmarks and regional compensation standards. Key components of employee remuneration include:

- A. Base Salary: A competitive fixed salary commensurate with job roles and market conditions.
- B. Allowances: Fixed allowances paid on a monthly basis with payroll.
- C. Performance Bonuses/ Incentives: Variable pay tied to individual and team performance, as per established criteria.
- D. Benefits and Welfare: Provision of employee benefits, such as medical insurance, retirement plans, and other welfare benefits including various reimbursements
- E. Ex-gratia: Considering various timely requirements on a written justifiable proposal made by the CEO to the Remuneration Committee.

Performance-based remuneration shall be linked to well-defined performance metrics, aligning individual and company goals. Metrics may include financial, operational, and non-financial indicators that are relevant to the company's success and strategy.

6 Approval, Revision & Dissemination of the Policy

- A. The policy should be revised as deemed necessary, particularly in the event of changes in law and authoritative sources of best practice in corporate governance.
- B. The Nominations and Corporate Governance Committee is responsible for the initial review and recommendations to the Board and may obtain the services of the Company Secretary and Management in this regard.
- C. The policy shall be approved by the Board of Directors and signed by the Chairman.
- D. Upon revision of the policy, the Company Secretary will ensure that:
 - a) all directors are informed of the revisions
 - b) the policy is updated on the website of the Company in accordance with CSE Listing Rules