



Remuneration Policy



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1. PURPOSE

This policy establishes the framework for providing remuneration and benefits to employees of JAT Holdings PLC. It aims to ensure fair and competitive compensation, helping the company attract and retain top talent while fostering a positive and motivating work environment. This policy covers the overall Remuneration & Benefits framework of JAT and a detailed explanation of each sub-section could be found in the respective stand-alone policy of the subject.

2. SCOPE

This policy applies to all full-time, part-time, and temporary employees of JAT Holdings PLC.

3. REMUNERATION

- **Salary Structure**

Salaries at JAT Holdings PLC are determined by considering various factors, including the employee's job role, experience, qualifications, market benchmarks, and the company's established salary bands. Any salary increments or adjustments for employees require the approval of the CEO.

Salary structure reviews are conducted every two years to ensure alignment with market standards. These reviews may result in adjustments based on individual performance, prevailing market conditions, and the company's financial performance.

- **Pay Periods**

At JAT Holdings PLC, there are two monthly pay cycles. Regular salaries are disbursed monthly and are deposited into employees' bank accounts by the last working day of each month. An additional pay cycle occurs on the 15th of every month, primarily to process incentives reimbursements and salary advancements.

- **Overtime Pay**

Overtime (OT) is provided for all non-executive staff at JAT Holdings PLC. Overtime is compensated at 1.5 times the regular hourly rate, increasing to 2.0 times on Sundays and public holidays. Overtime must be pre-approved by the employee's supervisor.

Divisional managers are responsible for ensuring that overtime is used productively and for addressing any inefficiencies. Management expects Divisional Heads to regularly review overtime patterns within their divisions to assess its effectiveness and contribution to the business. Refer to Overtime and Holiday Payment Policy. (Refer to the Overtime and Holiday Payment Policy)

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- **Incentives for the Field Staff**

Field staff at JAT Holdings PLC are eligible to earn incentives based on their achievement of agreed-upon business targets and key performance indicators (KPIs). These KPIs are determined by the respective Divisional Head and are subject to a review, based on sales performance within the area.

The criteria for earning incentives are established and approved by the relevant Divisional Head or Director of Sales, with final endorsement from the Director of Finance or CEO.

Monthly incentive payments are calculated based on individual performance, signed off by the relevant Divisional Head, and approved by the Director of Finance

4. BENEFITS

- **Vehicle, Fuel and Transport Benefits**

Depending on the employment grade and job requirements, JAT Holdings PLC provides a company-maintained vehicle with fuel reimbursement benefits. Additionally, employees can be reimbursed for official travel at predefined rates.

For late-night work beyond 7:30 pm, staff may use the company's official cab services, subject to approval from the Divisional Head.

(Refer to Fuel - Travel Reimbursement Policy).

- **Health Insurance**

JAT Holdings PLC offers comprehensive health insurance to its employees, covering both inpatient and outpatient care, including coverage for various illnesses and critical conditions for a select group of staff. Employees become eligible for these health insurance benefits upon their confirmation.

(Refer to the Medical Insurance Policy)

- **Holidays**

JAT creates an annual holiday calendar based on the guidelines of the Employers' Federation of Ceylon, including all Mercantile and other national holidays. Additionally, the company may offer special holidays at the discretion of the Management. The annual holiday calendar is published in the company intranet and all dates listed in the holiday calendar are paid holidays.

(Refer to the Overtime and Holiday Payment Policy)

- **Company Leave Policy**

JAT operates under the "Shop and Office Employees Act," and the company's leave policy is aligned with the provisions of this Act.

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(Refer to the Overtime and Holiday Payment Policy/ Maternity and Paternity Policy)

- **Staff Purchases**

JAT offers employees the opportunity to purchase company products at discounted rates through a higher purchase scheme.

(Refer to the Higher Purchase Policy)

- **Staff Reimbursement Benefit**

Field and other staff can be reimbursed for expenses incurred for meals, highway bills, photocopying, and night outs on an actual basis. Additionally, staff employed in the Northeast areas of Sri Lanka are eligible for reimbursement of drinking water costs.

(Refer to the Meal and Night-out Reimbursement Policy)

5. PERFORMANCE MANAGEMENT SYSTEM AND REWARDS

JAT implements a transparent Performance Management System to align business divisions and shared service units with the company’s strategic objectives. This system is designed to recognize and reward high performers while motivating all staff to reach their full potential.

The Remuneration Committee is responsible for overseeing the establishment of consistent targets by divisional heads for their subordinates, taking into account climate-related risks and opportunities. This includes setting specific, measurable goals and monitoring progress toward achieving these targets. The Committee ensures that climate-related performance metrics are integrated into the overall remuneration policy, which is linked to a tiered grading system for increments and bonuses. This approach aligns executive compensation with the company’s sustainability objectives

(Refer to the Performance Management Policy)

- **Annual Performance Bonuses**

Employees may qualify for annual performance bonuses based on their individual performance, as well as the performance of their division and the company overall. The criteria and amounts for these bonuses are established by the Remuneration Committee and approved by the Board of Directors.

(Refer to the Performance Bonus Policy)

- **Performance Increments**

At the end of each financial year, JAT Holdings PLC grants salary increments based on individual performance, with consideration of the division’s performance and the country’s inflation rate. The decision on increments is made at the discretion of the Remuneration Committee.

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(Refer to the Performance Increment Policy)

- **Promotions & Re-designations**

Promotions at JAT are awarded based on an employee’s current performance, future potential, and alignment with the company's needs and structure. Promotions are granted to individuals with proven track records and strong performance.

Redesignations may occur when a promotion is not feasible but retaining the employee is essential due to their specific contributions or unique circumstances. These changes are made to address the company's needs and retention goals.

- **Company Annual Awards**

JAT Holdings PLC hosts an annual recognition program to honor employees for exceptional performance, innovation, and teamwork. This program represents the highest level of acknowledgment within the company. Award criteria are determined by Management and communicated to staff in advance.

(Refer to JAT Annual Performance Awards)

6. REVIEW AND REVISION

To maintain its effectiveness, this policy will be periodically reviewed and revised as necessary. The entire Remuneration & Benefit framework for all grades of the company is defined, fixed and recommended by the Remuneration Committee and approved by the Board of Directors. Any changes to this policy, or related staff remuneration policies, must be recommended by the Remuneration Committee and approved by the Board of Directors.

7. RELATED POLICIES AND REFERENCES

- Overtime and Holiday Payment Policy *(JAT/HR/GHR/P/14)*
- Fuel - Travel Reimbursement Policy *(JAT/HR/CNB/P/01)*
- Medical Insurance Policy *(JAT/HR/CNB/P/19)*
- Maternity & Paternity Policy *(JAT/HR/CNB/P/08)*
- Performance Management Policy *(JAT/HR/PMS/P/20)*
- Performance Bonus Policy *(JAT/HR/PMS/P/22)*
- Performance Increment Policy *-(JAT/HR/PMS/P/21)*
- JAT Annual Performance Awards *(JAT/HR/PMS/P/05)*
- Higher Purchase Policy *(JAT/HR/CNB/P/17)*
- Meal and Night-out Reimbursement Policy *(JAT/HR/CNB/P/18)*

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8. VERSION CONTROL

This policy was adopted by the Board of Directors of JAT Holdings PLC and shall become effective from 01st October 2024.

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