

BPPL Holdings PLC – Policy on Remuneration

1. Remunerate Fairly and Responsibly

The Company considers that the attraction, retention and motivation of its senior management and staff is of critical importance in facilitating the Company to meet its objectives, and optimize the value to shareholders.

The following will be within the scope of the overall remuneration policy of the Company:

- Remuneration of the Executive Directors
- Remuneration of Key Management Personnel (KMP)
- Policy with regard to variable pay, annual bonuses and increments

2. The factors to be considered in remunerating

In setting the remuneration for the Executive Directors and Key Management Personnel (KMP), the following factors will be considered:

- The long term growth objectives of the Company, and the need to attract and retain individuals with the required skills and competences to meet the long term objectives.
- The need for specific technical and industry skills considering the nature and complexity of the different business segments / units of the Company
- The external environment, market practices and overall compensation levels for comparable positions in similar organizations / industry.
- The current and anticipated financial performance of the Company will also be considered in determining remuneration / pay bands for different categories of management and staff.

3. Components of remuneration for Executive Directors and Key Management Personnel (KMP)

Remuneration for Executive Directors and key management personnel will be based on the performance of the entity during a given financial year, as well as the performance of the individual executive in meeting the pre-agreed key performance indicators (KPI's). Remuneration of Executive Directors and key management personnel will consist of the following:

- Fixed pay, based on internal salary bands set for each category, taking into account market compensation practices and levels, and Company's own financial performance (affordability).

- Variable pay, linked to the achievement of individual KPI's, the quantum of the variable pay pool will be determined based on achievement of the financial targets compared to budgeted / targeted levels. Variable pay will be determined at the end of the financial year.

Annual increments will be made for all staff to compensate for inflation based on prevailing inflation rates. Promotions for management and staff will be based on achieving the pre-agreed key performance indicators by the respective individuals, and the availability of positions within the organizational structure. The Company has in place a structured performance appraisal system for its management and executive staff, which assesses the achievement of pre-agreed Key performance Indicators (KPI'S), and competences and soft skills.

4. Setting compensation bands / levels

The Company will periodically carry out an assessment of compensation to reflect market trends and practices, and will benchmark its own compensation levels to be within the average compensation levels in the market for respective positions.