

Cargills Bank PLC

Remuneration Policy

(Compensation and Benefits)

9.1 Introduction to Remuneration, Compensation and Benefits

The Bank strives to provide a substantial portion as employee compensation and benefits to its employees in exchange for their time, talent, efforts and results. We value the performance culture where there is a clear understanding between performance and rewards.

The compensation and benefits schemes are designed to be fair and without discrimination.

This section of the policy will cover the compensation and benefit schemes available with the Bank at present. All benefit schemes and policies of the Bank may be enhanced, amended, changed, or discontinued at any time.

9.2 Purpose

The objectives of the Bank staff compensation program are:

- 1) To support the strategic goals of the Bank and to be responsive to the unique and changing needs of the Bank
- 2) To recognize and reward staff for their contribution to the Bank's goals
- 3) To pay salaries that are competitive with the salaries in the marketplace in order to attract and retain a fully competent workforce
- 4) To enable Bank staff members to receive salary increments based on job performance and contribution.

9.3 Policy on Remuneration

9.3.1 Payment of wages

- 1) All employees are paid monthly (Including the Corporate Management members and the MD/CEO)
- 2) Both Employee & the Employer will compulsorily contribute to the Employees' Provident Fund and the Employer would contribute 3% for the ETF fund.
- 3) All employees will be provided with an e-login or salary slip-containing the details of pay deductions etc.
- 4) Salary payments will be made directly in the employees' bank account stated in the employee's personal file.
- 5) Pay cheques will not, under any circumstances be given to any person other than the employee without the employee's written authorization.

- 6) Medical claims & other entitled reimbursement payments will be deposited directly into the employee's bank account

9.3.1.1. Remuneration for Non-Executive Directors –

1) PRINCIPLE:

Non-Executive Directors and chairs (both committee chairs and the overall board chair) should be paid fees, which are sufficiently market competitive to attract and retain highly skilled Non-Executive Directors who contribute their expertise to the Board

Owing to non-executive director remuneration being decided by the Board, which brings inherent conflicts of interest, care must be taken to ensure there is no appearance, or reality, of impropriety.

2) FEE STRUCTURE

Non-Executive Directors shall be paid a monthly fee taking into account market practice at Banks or other Listed companies of a similar size and complexity. There will also be a separate fee for attending Board and Sub Committee meetings which will reflect the additional responsibilities undertaken by directors.

In deciding on the fees payable to Non-Executive Directors the BHRRC shall adopt a principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.

3) ANNUAL REVIEW

The BHRRC should review annually the appropriateness of the fee structure for Non-Executive Directors, including the Chair of the Board, subject to the approval of the Board of Directors. In doing so, the Committee shall ensure that any revision of fees is not contrary to any regulation /direction issued by the Regulator of the Bank.

4) EXTERNAL ADVICE

The BHRRC may obtain the assistance of a remuneration consultant or other outside advisor for assistance on Non-Executive Directors remuneration arrangements. In cases where the Committee does utilise outside advice, the consultant should be independent of the Bank, its management and directors.

9.3.2 Paid Holidays

Paid holidays are as per the *Shop and Office Act No. 15 of 1954*.

9.3.3 Employee Compensation

There are many situations in which the Bank may decide what to pay or make salary adjustments for employees , such as; at the time of hiring , Annual Increments, Promotions and any other occasion as decided by the management

9.3.4 New hire

- 1) The new entrants at trainee level will be placed at the established entry level salary point
- 2) When determining starting salaries for experienced employees, HR Department in consultation with the CEO will consider the applicant's prior experience, the education related to the position.

9.3.5 Annual increments

- 1) Wage and salary increases will be determined on the basis of performance, adherence to Bank policies and procedures, ability to meet or exceed duties as per the job descriptions and KPI.
- 2) Performance and the Bank's profitability is the key to wage increases in the Bank.
- 3) Annual salary increases will be considered based on the individual performance for the calendar year
- 4) The staff annual increment programme applies to all staff members including the Corporate Management who have completed one full year service as at end calendar year (31st December).
- 5) Grant of annual increments are solely at the Company's discretion and the Annual increments for the Managing Director/CEO will be at the discretion of the Board.

9.3.6 A Promotional increase

An existing employee moving into a new role at a higher grade.

- 1) An employee that is being promoted can receive a promotional increase at the time of the promotion aligned to the appropriate point in the new salary range, taking into consideration performance and the market information.
- 2) Promotion is usually based on availability of opportunity and preparedness of employees to advance.
- 3) The adjustment to the remuneration package may include an increase in the base pay and

/ or in the form of an allowance.

9.3.7 Market adjustment following a compensation review

- 1) Market adjustments are typically made following the receipt of market survey data. This data is usually received and evaluated towards the end of the calendar year.

9.3.8 Bonus Payments and ex-gratia payments

- 1) The Bank may declare a bonus pay to improve employee morale, motivation, and productivity or as a “Thank you” to employees who achieve a significant goal and will be strictly on performance based.
- 2) Bonus pay is compensation over and above the amount of pay specified as wages or salary and it is only distributed as the Bank is able to pay.
- 3) The bonus pay is discretionary by the Bank

9.3.9 Incentive Plans

The Bank may provide incentive plans to different levels of staff enabling the Bank to achieve specific targets which otherwise may not be able to pursue.

- 1) Such incentive plans are established to reward employees for improved commitment and performance and as a means of motivation.
- 2) Such incentive plans may offer cash or gifts for specific achievements of targets

9.3.10 Overtime

- 1) Overtime compensation is paid to non-executive employees in accordance with the Shop and Office Act No. 15 of 1954.
- 2) Employees must obtain a Supervisor’s authorization before working overtime.
- 3) Overtime payments will be made with the monthly salary payment.

9.4 Staff Loans

The Bank provides its employees loans at concessionary rates as Housing, Vehicle and Personal loans as per the Board approved terms and conditions.

9.5 Phone SIMs

9.5.1 Assigning SIM Cards

The Bank will provide a Phone SIM free of charge to employees (permanent / probation/ contract) only upon the request of the business lines based on the business requirements on the date of joining or on the request of the employee. Employees will not have the option of selecting preferred phone numbers.

Assigning limits to staff

All officers in the grade of Senior Manager (SM1 and above) will be entitled to usage limits which are pre-defined.

* The limits stipulated are subject to change as decided by the Management from time to time.

For staff below Manager (M2 and below) limits will be decided on a need basis which should be justified and recommended by the Head of the Department

9.5.2 SIM cards for Retail Sales Team engaged on contract basis

SIM cards will be provided for the staff engaged in the Retail Sales team who will be assigned with a limit.

9.6 Festival Advance

Cargills Bank provides a festival advance for employees as an additional income to meet the seasonal expenses. Employees will be given a quantum as decided by the Management on an annual basis, which will be recovered in maximum 10 equal monthly installments as a deduction from the salary.

9.7 Medical Aid Plan

The objective of the Medical Aid Plan is to provide relief to the employees of the Bank and immediate family members who are covered by the scheme in the event of having to incur medical expenses.

Beneficiaries of the Scheme:

Medical assistance under this plan is available to

- 1) All staff on joining the services of the Bank
- 2) Spouse of such an employee
- 3) The children of such an employee below 21 years

9.8 Personal Accident Cover

All employees will be entitled to an insurance cover

9.9 Discounts on CFC Staff purchases

Employees are entitled to a discount on purchases made through a Food City outlet assigned to them. This facility is offered upon employment.

9.10 Travelling Claims / Transport and Meals

9.12.1 Travelling Claims (Branch Manager Meetings)

A travelling allowance will be allocated to the Branch Managers to meet the travelling expenses incurred by them when travelling for official purposes. Limits are communicated separately from time to time.

9.12.2. Accommodation / Subsistence and Travelling

This section addresses the reimbursement of Accommodation / Subsistence and Travelling where long-distance travelling involves. For the purpose of clarification long distance shall be defined by the management at the time of Annual Policy revision.

1) Travelling Allowance for employees on customer / official visits

- The Bank, wherever possible will provide official transport for employees travelling outstation.
- The claimant as well as the respective Head of the Department / Branch Manager has to verify the travelling charges / mileage and the purpose of travelling.
- In the event employees are provided with the Bank maintained vehicles, the allowance will not be effected

2) Reimbursement of Travelling when participating in training / seminars/ educational workshops

For staff participating in training / seminars and educational workshops from outstation branches to Head Office or an external location will be reimbursed with the travelling expenses

9.11 Delegated Authority

Other than for items stipulated by the Remuneration Policy, the Managing Director/ CEO will have the authority to determine / amend / cancel the above items listed under Compensation and benefits provided the changes are within the definition of the said policy.