


Gunkul Engineering Public Co., Ltd. and GUNKUL Group			
	Remuneration and Welfare of Executives and Employees of GUNKUL Group Policy	Doc. No.	POL-BOD_67-026
		Effective date	28 FEB 2024
	Approved by the Resolution of the Board of Directors Meeting No. 1/2024 on 28 February 2024	Issue No.	5.0
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Objectives

Gunkul Engineering Public Company Limited (“the Company”) and GUNKUL Group (“the Group”) believe that the key factor in developing the Company to have potential and achieve sustainable success is human resources or personnel at all levels of the Company. Therefore, the Company has determined remuneration and welfare for executives and employees according to the objectives as follows:


1. To suit duties and responsibilities of employees at each level, position, and skills, knowledge, and abilities of employees who are dedicated to performing jobs efficiently and effectively.
2. To attract knowledgeable and talented personnel to the Company and maintain efficient personnel to remain with the Company.
3. As a reward for efficient performance.
4. To promote morale/motivation in working and create stability in life.

Related parties

1. The Human Resources and Administration Department, the Nomination and Remuneration Committee, and/or the committee appointed to be responsible for overseeing that this policy is implemented correctly.
2. Employees at all level of the Company, from the level of executives to employees.

Criteria for Remuneration

1. **Remuneration** is salary and other benefits paid to employees in return for their work in the form of monetary or non-monetary, in return for performance according to duties and responsibilities, motivating them to work efficiently, promoting the morale and strengthening the living conditions of employees' families to be stable by determining the short-term and long-term remuneration as follows:
 - 1.1 **Salary** is remuneration paid to all employees according to position type and position level to reflect job value, Key Performance Indicator results (KPI), and skills, knowledge, and abilities (Competency). It is divided by job level, which are Chief Executive Officer, Chief Operating Officer, Vice President, Department Manager, Supervisor, Leader, permanent employee, and daily wage employee.
 - 1.2 **Allowance** is remuneration in addition to salary paid to employees according to job description, position, working conditions, or various characteristics. This type of remuneration can be a mechanism for creating motivation and adjusting remuneration to be more appropriate. At present, there are various types of remuneration under different policies, such

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as special position pay, allowance, shift allowance, lodging allowance, fuel allowance, wear and tear allowance, telephone expenses, sales compensation, etc.

1.3 Welfare is benefit other than salary in the form of services or activities and/or financial benefit that the Company provides to its employees to help them have stability in lives, be comfortable and happy, as well as being a tool for building morale and encouragement for employees at all levels to work efficiently and effectively.

1.3.1 Welfare in the form of services/activities, such as various types of leave and visits in case of illness/maternity, annual health check, sports activities, New Year's banquet, and activities according to various festivals, etc.


1.3.2 Welfare that is financial assistance, such as provident fund, retirement savings, medical expenses, group accident insurance, children's scholarships, assistance in case of disaster, funeral payment assistance, etc.

1.4 Annual Bonus is remuneration paid to employees based on the Company's operating results in each year. It is linked to employee performance in order to motivate them to perform according to organizational goals.

2. Determination of remuneration takes into account the importance of job position, from the level of Chief Executive Officer, Chief Operating Officer, Vice President, Department Manager, Supervisor, Leader, permanent employee, up to daily wage employee, respectively by motivating employees at each level to perform better in both quantity and quality, and work to the fullest extent of each person's knowledge and ability at each level. For example, determining salary adjustments based on performance each year (Annual Increment) and providing annual rewards in the form of bonus payment (Annual Bonus) and/or sales commission, etc. Including determining a salary structure that is motivating, such as specifying that each salary level is significantly different in order to encourage self-development and competition for higher position responsibilities, etc. **Criteria for considering bonus payment and annual adjustment is as follows:**

A. Bonus payment (Paid at the last pay period of December)

Position Level	Executives		Department Manager		Supervisor		Staff	
Category	%	Weight	%	Weight	Category	%	Weight	%
1. Key Performance Indicators	70	0.70	60	0.60	50	0.50	25	0.25
2. Competency	30	0.30	30	0.30	25	0.25	25	0.25
3. Time Attendance	-	-	10	0.10	25	0.25	50	0.50
Total	100	1.00	100	1.00	100	1.00	100	1.00

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B. Annual adjustment (Effect of annual adjustment as of December 26)

Position Level	Executives		Department Manager		Supervisor		Staff	
Category	%	Weight	%	Weight	Category	%	Weight	%
1. Key Performance Indicators	-	-	-	-	-	-	-	-
2. Competency	100	1.00	70	0.70	50	0.50	40	0.40
3. Time Attendance	-	-	30	0.30	50	0.50	60	0.60
Total	100	1.00	100	1.00	100	1.00	100	1.00

3. There is a system for assessing work performance at the line/department level, starting when the Company determines goals through vision and mission so that each line of work/department can set work goals, planning, tracking progress, improvement and assessment against indicators to ensure that the performance management of personnel in each line of work/department follows the same direction and goals as the Company based on reliability, accuracy, fairness, and creating work motivation.

3.1 Key Performance Indicators (“KPIs”) at the line/department level will be prepared using the principles of the Balanced Scorecard (BSC), which considers perspectives covering financial, customers, work development processes, and innovation dimensions. In consideration, there will be action from every line/department in the organization and a summary with the management. After that, the agreed upon indicators will be passed down accordingly from the Chief Executive Officer to the executive level, manager level, and all employees respectively. The supervisor will give advice and suggestions to subordinates to develop work, as well as promote, support, and encourage them for their dedication to work, which will be linked to the remuneration payment and rewards based on work performance for employees (Bonus payment) according to the weight of score calculation according to Section A.

3.2 The performance management system, which is carried out through assessment of skills, knowledge, abilities (Competency), and personnel development, as well as, measuring the effectiveness of the implementation of work goals that are consistent with department and organization, is a tool for measuring the performance of current personnel to assess their readiness in terms of skills and knowledge, ability to receive promotion and job position adjustment. This will help identify the level of skills, knowledge and abilities, and skills that must be developed and improved according to higher job levels in the future. The

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assessment results will be used as information for planning Career Development & Succession Plan that is appropriate both in the short-term and long-term.

3.3 Review of performance in skills/knowledge and abilities (Competency) is assessed 2 times at the middle of the year (November - April) and at the end of the year (May - October) as a tool for supervisors to give advice and suggestions to subordinates to develop skills, knowledge and abilities, resulting in work performance as expected and beneficial to the organization. Including promoting, supporting and encouraging dedication to work linked to remuneration payment (Bonus payment and annual adjustment) according to the weight of score calculation according to item 2.


4. In planning Career Development & Succession Plan, supervisors will review work performance and take into account the future careers of personnel and development in various forms, such as work assignments, training, teaching/work guidance, including the presentation of Acting position in order to adjust/promote job positions.
5. The Company focuses on providing remuneration and welfare that are at a similar level to other companies in similar industries fairly. The Board of Directors gives importance to employment by taking into account the capabilities and work performance according to the abilities of employees in various positions without discrimination and providing equal opportunities for women, the disabled, and the underprivileged. This takes into account the principles of fairness, equality, appropriate qualifications, and having a commitment to the Company to promote career advancement and grow together with the Company in a sustainable way. The Company has determined a policy on employees remuneration that is consistent with the short-term and long-term operating results of the organization, and is linked to work performance, skills and knowledge of employees, and the value of work according to job level.
6. Determination of remuneration must be controlled within the specified budget and according to the payment guidelines of the market in similar industry groups in accordance with the ability to pay. This is to keep the operating costs within limits and to be able to expand the business for continuous and sustainable progress of the Company.

Policy Change

The Company reserves the right to cancel or amend this policy as appropriate.

Form

- Key Performance Indicators Form
- Competency Assessment Form

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Revision Record

Document No.	Issue No. /Revision No.	Date	Revised Part	Reason of Revision	Date of Cancellation
OMD 2563/10	1.0	2 MAR 2020	Rewritten	To comply with the principles of the supervising agency and the current operation.	1 MAR 2021
POL-BOD 64-020	2.0	1 MAR 2021	Reviewed	To comply with the principles of the supervising agency and the current operation.	8 FEB 2022
POL-BOD 65-006	3.0	8 FEB 2022	Reviewed	To comply with the principles of the supervising agency and the current operation.	27 FEB 2023
POL-BOD 66-010	4.0	27 FEB 2023	Reviewed	To comply with the principles of the supervising agency and the current operation.	28 FEB 2024
POL-BOD 67-026	5.0	28 FEB 2024	Reviewed	To comply with the principles of the supervising agency and the current operation.	-