


Gunkul Engineering Public Co., Ltd. and GUNKUL's Group			
	<u>Remuneration and Welfare for Executives and Employees Policy</u>	Document No.	POL-BOD_64-020
		Valid as of	1 MAR 2021
	Approved by: The resolution of the meeting of The Board of Directors No. 1/2021 on 24 February 2021	Issue No.	2.0
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Objective


The Company believes that the key factors that make the Company successful and continuously driven is a factor that can attract, develop potential and retaining employees with high performance and motivation to work for better efficiency in competitive market conditions. The employees will be offered appropriate compensation and in accordance with the market guidelines in similar industries, which are the main components of compensation in order to create and encourage employees to feel motivated, create lasting results and allow the Company to grow continuously.

Related Parties

1. The Human Resources and Administration Department, the Nomination and Remuneration Committee, and / or the appointed committee are responsible for overseeing this policy to ensure that it is implemented correctly.
2. The employees at all levels (Executives and staffs) in the Group of Gunkul Engineering Public Co., Ltd. with skills, competence and readiness.

Remuneration Principle

1. The Company has established a system for performance evaluation at the section/ department level, by starting from setting work goals, planning, monitoring progress, development, improvement, and evaluation against indicators to ensure that the performance management of personnel, departments, and organizations is in the same direction based on credibility, accuracy, fairness and motivation for the workers.
2. Corporate KPI are created by using the Balanced Scorecard (BSC) principles, which look at the perspective that covers the dimensions of finances, customers, process of development and innovation which will be considered from all sections/ departments in the organization and concluding with the management. After that, the agreed indicators will be transmitted respectively, from the Chief Executive Officer to the executive level, department manager level and all employees, respectively. Also, the head or supervisor giving advice and suggestions to subordinates in order to develop; as well as, promote, support and encourage for dedicated work which will be linked to the remuneration and awards for the performance for employees (Bonus payment) according to the point weight calculation under item 5.
3. Assessment of competency and development of personnel; as well as, measuring the effectiveness of the implementation of work goals which are consistent with departments and organizations. With this performance management system, a tool for measuring the performance of current personnel in order to assess the readiness of personnel in terms of knowledge and capability to be promoted, position adjustment which will be able to identify levels of knowledge, abilities and skills that are lacking in higher jobs in the future. The assessment results will be used as information for career development & succession plans that are appropriate in both the short-term and long-term.

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4. Reviewing the competency/ performance, by assessing twice in the middle of the year (November - April) and at the end of the year (May - October) as a tool for supervisors, give advice and suggestions to subordinates to develop skills, knowledge, and proficiency that will result in expected performance and benefit the organization; as well as, promote, support and encourage for dedicated work which will be linked to the remuneration (Bonus payment and adjusting annual salary payments) according to the point weight calculation under item 5.

5. Criteria for considering bonus payment and adjust annual payments

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

Position Level Category	Executives		Managers		Supervisors		Staffs	
	%	Weight	%	Weight	%	Weight	%	Weight
1. Performance indicators	70	0.70	60	0.60	50	0.50	25	0.25
2. Skills	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


B. Adjust Annual Payments (Effective annual adjustment as of December 26)

Position Level Category	Executives		Managers		Supervisors		Staffs	
	%	Weight	%	Weight	%	Weight	%	Weight
1. Performance indicators	-	-	-	-	-	-	-	-
2. Skills	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


6. The supervisor reviews the Annual Performance and Career Development & Succession Plan. In this regard, the supervisor considers the future career path of the personnel and develops in various forms such as work assignment, training, teaching / suggesting work, etc.

7. The remuneration must consider the motivation for the employees to work better in terms of quantity and quality and working to the best of the abilities of each individual as well, such as stipulating salary adjustments based on performance each year, annual reward payments (Bonus), sales commission etc., including the determination of salary structure for incentive wages, such as the determination of salary levels for each level to be significantly different in order to motivate self-development and compete with each other for a higher level of responsibility etc.

8. Remuneration is the costs that organizations pay to workers. This expense may be paid in monetary or non-monetary form in order to compensate the performance of duties and responsibilities, motivate the work to be effective, promote the morale of the workers and enhance the well-being of employees' families by determining short-term and long-term remuneration as follows:

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- 8.1 Salary is a remuneration that paid to all employees according to the type and level of position to reflect the job value, KPI and competency which classified by job position, as following executives, president, managers, supervisors, employees and daily employees.
- 8.2 Other allowances is a remuneration in addition to salaries that paid to employees in accordance with job characteristics, positions, working conditions, or various characteristics. This type of remuneration can be a mechanism to create incentives and adjust remuneration to be more appropriate. Currently, there are various forms of remuneration under different policies, such as special positions, expenses, shift fees, accommodation expenses, fuel expenses, wear and tear, telephone fees, sales commission etc.
- 8.3 Welfare is a remuneration that the Company provides to the employees in order to help the employees become more stable in their lives. As well as, a tool to strengthen morale for employees at all levels in order to perform efficiently which can be divided into monetary welfare, consists of provident fund, medical expenses, group accident insurance, children's scholarships, financial aid in the event of disaster, funeral assistance. As for non-monetary benefits, consists of various types of leave, the cost of visiting in case of illness / maternity, New Year's party etc.
- 8.4 The annual reward (Bonus) is a remuneration that paid to employees from the performance of the Company in each year, by linking with the performance of employees in order to motivate employees to perform according to the organization's goals.
9. The Company focuses on providing remuneration and welfare at a level that is comparable to other companies in the similar industry fairly. The Board of Directors recognizes the importance of employment by considering the capability, performance according to the ability of the employees in various positions without discrimination and providing equal opportunities, both women, disabled, underprivileged, which take into account the principle of fairness, equality, suitable qualifications and having a commitment with the Company in order to promote career advancement and sustainable growth with the Company, by establishing a remuneration policy for employees in line with the results of the organization in both short and long term. Also, linked to the performance, skills and knowledge of the employees including the value of work according to job position.
10. The determination of remuneration must be able to control to be within the budget and suitable for the ability to pay, so that the cost of operations is in scope and can also expand the business for the continuous and sustainable progress of the organization.


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Policy Change

The Company reserves the right to cancel or amend this policy as appropriate and must be approved in writing by the Chairman of Executive Committee only.

Form

- Key Performance Indicators Form
- Assessment Competency 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 March 2020	Rewritten	To comply with the principles of the supervising agency and the current operation.	1 March 2021
POL-BOD 64-020	2.0	1 March 2021	Reviewed	To comply with the principles of the supervising agency and the current operation.	-