

Section 2



Rewards Policies & Procedures

Europe & Asia Commercial Co., Ltd

Human Resources Department

Updated on 1st July 2019

CONTENTS

Page

1. Purpose	2
2. Scope.....	2
3. References	2
4. Policies & Practices - Remuneration	3-5
4.1 Payment Process for Salary, Monthly Performance Bonus & Sales Incentives	
4.2 Salary Review	
4.3 Annual Performance Bonus	
4.4 Sales Incentives Scheme	
4.5 Statutory Contributions & Deductions	
5. Policies & Practices - Benefits.....	5-12
5.1 Leave	
5.2 Special Benefits	
5.3 Mobile Phone Benefit	
5.4 Entertainment Allowance	
5.5 Working on Saturdays Allowance	
5.6 Business travel	
5.7 Relocation Allowance	
5.8 Idea Generation Program	
5.9 Excellence Awards – Quarterly and Annually	
6. Appendices.....	13

Rewards

1. Purpose

The purpose of this section is to list down the elements within the Remuneration & Benefits package offered for employment and the key procedures for administration. The Company provides a compensation package which is competitive by benchmarking with market remuneration data.

2. Scope

The policies and procedures stipulated herein shall be applicable to all staff at Europe and Asia Commercial Holding Company Limited (EAC Group), not based at factory sites.

The Company reserves the right to amend or delete any policy or procedure or part of thereof and when deemed necessary. There shall be no retrospective effect on any changes to all terms and conditions or service, policies and procedures.

Should there be a difference between the English and Burmese version, the Burmese version will be regarded as the version to comply with.

3. References

- 3.1 Myanmar Labour Laws and other related laws
- 3.2 Company Terms & Conditions of Employment
- 3.3 Company Non-Disclosure Agreement
- 3.4 Company Code of Conduct

4. Policies and Procedures

4.1 Payments for Salary, Monthly Performance Bonus and Sales Incentives

4.1.1 Payment of Salary

- Salary is paid at the end of every month.
- The cut-off date to process salary is 25th of every month. If 25th is on a weekend or public holiday, then the cut off date will be the working day before those days.
- Any advice for further payments received after the above dates will be paid the next month end.
- Pay slip has to be taken from HR within 3 days except those who are in MO.

4.1.2 Payment of Monthly Performance Bonus :

- HR will send the attendance record (from Face Scan) of staff coming to work late and absent to the respective Reporting Manager/Head of Department, before 10am daily, together with the data from the day before, on staff leaving earlier than the working hours.
- Employees who come to work late or leave earlier than the working hours are responsible to explain to their Reporting Manager/Head of Department the reasons for doing so. The Reporting Manager would then advise HR if the reasons are acceptable/valid latest by 25th of the month. Otherwise, HR will automatically deduct from the monthly performance bonus, and complete the Monthly Performance Bonus Deduction Form (appendix RS 2-1) to send to the respective Head of Department and Director on their employee's non-compliance.
- The monthly performance bonus is not part of salary.
- The calculation cycle is from 1st to the end of every month.
- Monthly performance bonus will be paid during the middle week of the following month.
- For all disciplinary and attendance cases, deduction on the points and monthly performance bonus will be made accordingly.

4.1.3 Payment of Incentive Schemes

- All incentive payments must following the process below:

Steps	Dept From :	Dept To :	Completion & handover date within month
1.	IT	Finance, Accounts & Sales	2nd
2.	Finance, Accounts & Sales	HR	5th
3.	HR	Audit	9th
4.	Audit	HR	12th
5.	HR	Payment to employees	15th

4.1.4 Please refer to your respective Heads of Department for details of the Sales Incentive Scheme.

4.2 Salary Review and Promotion Process

4.2.1 The Salary Review cycle is once a year.

4.2.2 During the salary review period, promotion proposals will be submitted for approval. However, promotions outside this period will also be considered if a staff is appointed to a role at a higher grade, throughout the year.

4.2.3 The timing of the review shall be decided by the CEO.

4.2.4 During the salary review, the following areas shall be considered:

- Market/community practice
- Cost of living
- Business performance

4.2.5 Based the above mentioned facts, the salary process guide line will be proposed to Executive Director (HR) and CEO and the approval shall be informed to Directors and Head of Departments.

4.2.6 Head of Department consult with HR to review the increment and present to respective director to review. Executive Director (HR)n and Group HR Director shall review the increment and present to CEO for approval.

4.2.7 The salary review process shall be carried out in accordance with CEO's guideline and the process might be reviewed more than once a year.

4.3 Annual Performance Bonus

4.3.1 The Company will pay for performance bonus depending on individual and business performance, usually during the first quarter of the following year.

4.3.2 Head of Department are requested to plan ahead the following year's KRAs in October, all to be completed by end December. This will allow sufficient time for discussion between the manager and his/her team, and ready for implementation at the start of the year.

4.3.3 Reporting Managers must also provide regular feedback on performance & behavior, particularly to new staff, newly promoted or transferred staff.

4.4 Sales & Marketing Incentive Schemes

4.4.1 There are various schemes according to the role performed.

4.4.2 The details are communicated by the respective Heads of Department.

4.4.3 Please refer to 4.1.3 for payment schedule.

4.5 Statutory Contributions and Deductions

4.5.1 The Company will make contributions to Social Security Board (SSB), in accordance with the regulations.

4.5.2 The Company will deduct the total income for contribution to income tax.

5. Benefits

5.1 Leave Application

- All leave will require prior approval from the respective Head of Department and Director, at least 7 working days in advance by completing the Leave Application Form ((appendix RS 2-2). This form must be completed in full including identification of the employee who is responsible to undertake the role during the applicant's absence.
- Where the employee is sick and not able to apply for sick leave in advance, the employee should at least notify the reporting manager, where possible and complete the Leave Application Form upon return, attached with a medical letter/report from the doctor. In this case, the respective Head of Department will need to temporarily assign the role to another staff.
- Similarly, in cases of emergency where the employee cannot come to work, the employee should at least notify the reporting manager, where possible and complete the Leave Application Form upon return, attached with a medical letter/report from the doctor. In this case, the respective Head of Department will need to temporarily assign the role to another staff.
- Any violation here may result in disciplinary action being taken against the absent employee.

5.1.1 Earned Leave

- Employees are eligible for 10 days earned per year. The earned leave can be entitled after employee work 12 months consecutively in accordance with labor law.
- Employees will obtain a copy of the Leave Form (appendix RS 2-2) from the HR Public Folder and consult HR for the leave balance before completing the form and seeking approval from their Reporting Manager, at least three working days in advance.
- Upon the approval from the Reporting Manager, employees will hand the form to HR.
- All such leave must be taken on earned basis.
- Where the public holidays and weekends are in between the stretch of earned leave taken, the public holidays and weekends will be regarded as earned leave.

5.1.2 Sick Leave and Hospitalization Leave

- Employees are eligible for up to 30 days paid sick and hospitalization leave in a year after six months of service.
- Employees are requested to advise their Reporting Manager, (where possible at the earliest) and complete the Leave Application Form (appendix RS 2-2) upon return to work, attached with the medical certificate of a medical practitioner and submit to HR.

- Employees who have gone for sick or hospitalization leave without a medical certificate will either use their absence under casual leave or annual leave or be treated as unpaid leave where their salary deducted accordingly.
- Reimbursement of hospitalization costs per occasion is at 50% of the fees, and the total subsidy for each year is at a maximum of MMK 200,000.

5.1.3 Casual Leave

- Employees are eligible for six days in a year, where three days are allowed for the first half of the year and the balance for the remaining six months of the year.
- Casual leave cannot be entitled with other leave.
- New employees are eligible for casual leave after 3 months of service.
- Employees are requested to advise their Reporting Manager, and complete Leave Application Form upon return to work, and handover to HR.
- Employees who have gone for casual leave without any more eligibility, will have their salary deducted accordingly.
-

5.1.4 Unpaid Leave

- The annual eligibility is 6 days unpaid leave, with prior approval from the respective Head of Department and Director. On case to case basis the Head of Department and Director may approve additional days, depending on the reasons and situation presented.
- All unpaid leave must be approved by the respective Heads of Department and Director, at least 2 days before the leave is taken.
- Leave taken by new employees during the probation of service will be regarded as unpaid leave.
- Employees must submit the Leave Application Form.
- All unapproved leave will be regarded unpaid leave.
- Salary will be deducted accordingly.
- Disciplinary actions will be taken for absence without approval and where there is no acceptable or valid reason. This absence will also be treated as unpaid leave.

5.1.5 Maternity Leave

- The eligibility is six weeks of maternity leave before and eight weeks after childbirth.
- The female employee must submit the Leave Application Form, attached with the medical letter confirming the pregnancy to the HR Department.



5.2 Special Benefits

A sum of MMK50,000 is given to each of the following occasion, with the submission of the related documents to HR :

5.2.1 Wedding (Wedding Invitation Card)

5.2.2 Birth of Children (Birth Certificate)

5.2.3 Death of a family member - spouse, children, parents, parents-in-law, grandparents and siblings (Funeral Invitation Card)

5.3 Mobile Phone Benefit

The benefit is provided for managers, executives and supervisors.

Position	Sales & Marketing (MMK)	Other Departments (MMK)
Manager	20,000	15,000
Assistant Manager	20,000	15,000
Executive	15,000	10,000
Supervisor	8,000	7,000

5.4 Entertainment Allowance

5.4.1

Position	Amount	Remark
Director and Product Sales Director	500,000	Receipts must be attached.
Managers and Assistant Manager	200,000	Receipts must be attached.

5.5 Working on Saturdays Allowance

5.5.1 The following functions work 6 days a week:

- Sales except Trade Marketing
- Finance & Accounts – Selected staff
- Logistics – Selected staff
- Marketing – Selected staff

5.5.2 The work days are between Mondays to Saturdays. However, if there is a need to work on Sundays, then the off day will be moved to another day, within the 6-working days week.

5.5.3 The Saturday working day allowance is as below

- The 'Per Day' rates - For employees who work on some Saturdays in a month
- The 'Per Month' rates - For employees who work all Saturdays in a month.

Level	Per Day (MMK)	Per month (MMK)
Managers & Assistant Managers	25,000	100,000
Executives & Supervisors	17,500	70,000
Below Supervisors	10,000	40,000

5.6 Business Travel

5.6.1 Local Travel

- Mode of Travel
 - Managerial and Assistant Managerial Level and above – Options by air (economy) or by road.
 - Below Assistant Managerial Level – By road only. However, if a staff accompanies an expat director on air travel, he or she is eligible to take the same flight.
 - Air travels will be booked by designated department admin staff
 - Road travels will be by Company vehicles
 - Approval must be obtained before the travel, by completing the Movement Order Form (appendix RS 2-4) for the approval of the Reporting Manager, Head of Department and respective Director. This form will then be returned to the HR Department.

- Accommodation & Meals
 - According to the Company's approved listing. Please refer to below:

"Sales & Marketing Team" (Including Cycle Rental Fees)

Sr	Position & Level	Allowance for Normal Area			Allowance for Special Area		
		Daily	Hotel	Cycle	Daily	Hotel	Cycle
1	<i>HOD Manager, HOD Asst: Manager, DSM, Marketing Manager, NW-Trade Marketing Manager, Manager PBBD & Capability Manager, Senior ASM</i>	46,000			51,000		
2	<i>Area Sales Manager & Asst; Capability Manager</i>	30,000			38,000		
3	<i>Area Sales Executive, Executive, Area Sales Supervisor, Asst: Supervisor,</i>	21,000			23,000		
4	<i>Teams Leader, SR, Marketing staff & other Staffs</i>	16,000			21,000		

"Non Sales" (No Cycle Rental Fees)

Sr	Position & Level	Allowance for Normal Area		Allowance for Special Area	
		Daily	Hotel	Daily	Hotel
1	Head of Department, Manager & Asst ;Manager.	46,000		51,000	
2	Executive	26,000		34,000	
3	Supervisor, Asst; Supervisor Traffic Supervisor, MTO & DY MTO & DY Traffic Supervisor	17,000		19,000	
4	Teams Leader, Senior Staff & other Staffs	12,000		15,000	

5.6.2 Overseas Travel

- Daily Allowance
 - USD60 per day for meals, ground transport within the destination (e.g. taxi/grab/MRT rides around the town/city), mobile phone expenses and other incidentals (no receipts required)
- Transportation
 - Travel between towns & cities - This can be arranged and paid by the Company or the employee pays and seek reimbursement from the Company.
 - Travel within the destination – this is covered under the daily allowance.
- Accommodation
 - According to the Company approved listed accommodation.
- Passport and Visa (if required) application fees
 - The Company will provide the necessary documents to apply and reimburse from the Company.

5.6.3 Cash Advance

- Staff going on business trip must complete the Movement Order Form (appendix RS 2-4) obtained from the HR department for approval by the Reporting Manager, Head of Department and Director to obtain cash advance.
- Upon return from the business trip, the staff will attach the receipts and balance of the advance (if any), together with the completed Expense Claim Form and Movement Order Form. A copy of the Movement Order Form will be given to HR and the original form will be given to Internal Audit Manager and the respective Regional Director for approval before submitting both

forms to the cashier to return any advance balance.

- In the event the staff utilizes more than the cash advance, this information must be stated in the Expense Claim Form and Movement Order Form with the attached receipts and the balance will be obtained from the cashier.

5.7 Relocation Monthly Allowance

5.7.1 For employees relocated to a different town/city, please refer to below for Accommodation Allowance (per month) and Daily Allowance (per day) :

Position	Accommodation Allowance : Upper Myanmar (per month)		Accommodation Allowance : Lower Myanmar (per month)	
	From Mandalay to other Townships (MMK)	From other Townships to Mandalay (MMK)	From Yangon to other Townships (MMK)	From other Townships to Yangon (MMK)
<ul style="list-style-type: none"> • Department Manager • DY Manager • Assistant Manager • Product Manager • Key Account Manager 	With Family : 80,000 Single : 65,000	With Family : 100,000 Single : 80,000	With Family : 80,000 Single : 65,000	With Family : 100,000 Single : 80,000
<ul style="list-style-type: none"> • Branch Manager • Executive • Branch InCharge 	With Family : 65,000 Single : 50,000	With Family : 80,000 Single : 65,000	With Family : 65,000 Single : 50,000	With Family : 80,000 Single : 65,000
<ul style="list-style-type: none"> • Supervisor • Area Supervisor • Assistant Supervisor • Team Leader 	With Family : 50,000 Single : 30,000	With Family : 65,000 Single : 50,000	With Family : 50,000 Single : 30,000	With Family : 65,000 Single : 50,000

Position	Daily Allowance (MMK)
Branch Manager	6,000
Branch In Charge	5,000
Supervisor	5,000
Team Leader (Supervisor)	5,000
Sales Rep (In Charge & Team Leader)	4,000

5.7.2 Please note that any costs exceeding the daily allowance will be borne by the employees.

5.7.3 Employees on leave will not be eligible for the daily allowance, including their returning trip to their home base.

5.8 Ideas Generation Programme

- The objective of the ideas submitted are expected to achieve one or more of the following results:
 - Solve issues and problems
 - Reduce errors
 - Save costs and/or time
 - Create more sales and/or provides
 - Reduce workload
 - Make process more effective and/or efficient
 - Increase teamwork and/or collaboration
 - Enhance Company's image
 - Enhance customers' satisfaction
 - Improve Safety, Health & Environment
- A sum of MMK50,000 is awarded to each idea selected.
- A maximum of 10 ideas will be chosen for each region – Lower Upper Myanmar
- Judging will be conducted by a panel consisting of Heads of Departments & /or Director
- Please see attached the Ideas Generation Programme Form (appendix RS 2-5)

5.10 Excellence Awards

5.10.1 Quarterly Excellence Awards

- Achievement of results from the Ideas Generation Programme
- Individual Award – MMK100,000 & Team Award - MMK300,000
- Up to a maximum of 10 awards will be chosen for each region – Lower and Upper Myanmar.
- Judging will be conducted by a panel consisting of Heads of Departments & /or Directors
- All proposed winners will be submitted to CEO for approval
- Please see attached the Quarterly Excellence Award Application Form (appendix RS 2-6)

5.10.2 Annual Excellence Awards

- The annual winners will be selected from the quarterly winners
- Judging will be conducted by a panel consisting of Directors

- All proposed winners will be submitted to CEO for approval
- Individual Award – MMK200,000 & Team Award – MMK600,000
- Up to a maximum of 10 awards will be chosen for each region – Lower and Upper Myanmar.

6.0 Appendices

1	Appendix RS 2-1	Monthly Performance Bonus Deduction Form
2	Appendix RS 2-2	Leave Application Form
3	Appendix RS 2-3	Expense Claim Form
4	Appendix RS 2-4	Movement Order Form
5	Appendix RS 2-5	Idea Generation Program Form
6	Appendix RS 2-6	Quarterly Excellence Awards Application Form