

Policy and Guidelines for the Procurement and Selection of Vendors SCG Chemicals Public Company Limited

The Board of Directors Meeting of SCG Chemicals Public Company Limited (“the Company”) No. 279 (15/2021) held on December 18, 2021 resolved to approve the first Policy and Guidelines for the Procurement and Selection of Vendors of SCG Chemicals, and the Board Meeting No. 282 (3/2022) held on March 30, 2022 subsequently endorsed the continuous enforcement of the Policy and Guidelines upon the conversion of the Company into a public limited company.

The abovementioned Board of Directors Meeting has resolved to approve the setting up and disclosure of the Policy and Guidelines for the Procurement and Selection of Vendors of SCG Chemicals to ensure that its vendor selection process will be systematic, fair and transparent. SCG Chemicals endorses vendors who are committed to ethical business practices and responsibilities toward society and environment and will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

Definitions

Procurement means the purchase, hire of work, outsource service, transportation service, lease and hire purchase.

Vendor means a seller/supplier, contractor, service provider, lessor or hire purchase provider who delivers goods or services to SCG Chemicals.

Vendor List means a list of Vendors who conduct transactions with SCG Chemicals and whose names are listed in SCG Chemicals’s system.

Approved Vendor List means Vendors listed in the Vendor List who have undergone SCG Chemicals’s selection and performance evaluation processes for the relevant goods and service categories.

SCG Chemicals means SCG Chemicals Public Company Limited and its subsidiaries according to the consolidated financial statement.

Procurement and Vendor Selection Policy of SCG Chemicals

SCG Chemicals will conduct its Procurement in a systematic manner according to the strict controlled procurement regulations of SCG Chemicals, taken into account the needs of SCG Chemicals in terms of quality, price, quantity, time, service, delivery, after-sale service, warranty, and other requirements. SCG Chemicals will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

SCG Chemicals’s Vendor Selection shall be systematic, fair and transparent. SCG Chemicals also endorses Vendors who are committed to ethical business practices and responsibilities toward society and environment.

Qualifications of SCG Chemicals’s Vendors

1. The Vendor shall be a manufacturer, entrepreneur, dealer, service provider or contractor, who has verifiable business facilities.
2. The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
3. The Vendor shall agree to comply with SCG Chemicals’s Supplier Code of Conduct
4. The Vendor shall have satisfactory performance records, which will be evaluated by SCG Chemicals on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
5. The Vendor shall have no conflict of interest with SCG Chemicals’s business.
6. The Vendor shall never been banned from doing business due to fraudulent conducts.

Application for Vendors of SCG Chemicals

1. Prospective vendors can submit an application form provided by SCG Chemicals together with detailed information and supporting documents, which include a registration certificate or identity certificate, other certificates issued by government authorities, power of attorney documents, bank account numbers and copies of registration certificates issued by the Department of Revenue such as a copy of the Certificate of Value Added Tax (Por Por 20). The application form and supporting documents shall be submitted to SCG Chemicals's procurement unit.
2. SCG Chemicals's Vendor shall sign its agreement to comply with SCG Chemicals's Supplier Code of Conduct.

Business Transaction Procedures with SCG Chemicals

1. SCG Chemicals only deals business with Vendors listed in the Vendor List, except for the cases of a price quotation or a tender where the non-listed Vendors may be invited to submit a quotation or tender and can apply for a Vendor status thereafter if selected. SCG Chemicals may ask its Vendors to agree to electronic transactions in accordance with the applicable electronic transactions laws for convenience and speed of the transactions.
2. A written purchase order or an agreement between a Vendor and SCG Chemicals will be considered constituting the transactional obligations between both parties.
3. For submitting a price quotation or entering into an agreement, SCG Chemicals may request in writing a performance bond from the Vendor, which will be returned after all transactional obligations are completed
4. Upon the completion of their obligations under an agreement, contract or purchase order, Vendors shall submit the relevant tax invoices, receipts and/or other necessary supporting documents to SCG Chemicals for payment at the time and place specified by SCG Chemicals. This is to provide convenience and speed of operation for all work units. SCG Chemicals will pay the Vendors for the prices of the delivered goods/services after deducting the withholding tax required by laws, and other expenses incurred as stipulated by the government and under the agreement such as a performance bond. The payment will be transferred into the bank account notified by the Vendors unless a cheque payment is requested. SCG Chemicals reserves the right to issue only account payee cheques.
5. Vendors may request an amendment of their data in the SCG Chemicals system by contacting SCG Chemicals's procurement unit and submitting supporting documents certified by the Vendors' authorized person.
6. Vendors may file a complaint on unfair treatment under the SCG Chemicals's corporate governance principles through the specified channel at SCG Chemicals's whistleblowing system, <https://www.scgchemicals.com>.

This Policy and Guidelines shall be effective from December 18, 2021 onwards.

Announced on April 4, 2022

-signed by-

(Mr. Chumpol NaLamlieng)
Chairman of the Board of Directors