Proud Real Estate Public Company Limited and its Affiliated Companies

Announcement No. BPI-014/2566

PROCUREMENT POLICY AND PROCEDURES

To improve the Company's procurement policy for greater efficiency and alignment with its current business operations, the Company hereby cancels the Operating Standard on New Product Orders (SOP-PUR-022-001 Rev.000) and the Operating Standard on Standard Product Orders (SOP-PUR-022-002 Rev.000). This Announcement shall replace both operating standards, with details as follows:

Purpose

To ensure that the Company's procurement is carried out promptly, accurately, transparently, fairly, and in an auditable manner, with the aim of obtaining quality products or services that are suitable for their intended use, reasonably priced, and provide maximum benefit to the Company. The Company therefore issues this Policy as the standard for procurement operations.

Scope

This Procurement Policy applies to all types of procurement processes of Proud Real Estate Public Company Limited and its affiliated companies.

Definitions

"Company" means Proud Real Estate Public Company Limited and its affiliated companies.

"Procurement" means the process of obtaining goods, services or rights related to business operations through purchase, engagement, and lease for the Company's business operations.

"Procurement Unit" means the unit under the Procurement and Administration Department.

"Goods" means materials, equipment, tools and appliances for the Company's business operations, such as consumer goods.

"Services" means work, engagement, consultancy, lease or other services for the Company's business operations, but excludes the employment of the Company's employees.

"Construction Work" means building construction and public utility works. It also covers decoration, extension, assembly, repair and improvement of construction works that have drawings and specifications and require supervision throughout the work period.

"Construction Supervision Engagement" means the engagement of construction supervision services from a juristic person or an individual who operates a construction supervision business, with such construction supervision performed on behalf of the Company.

"Design Engagement" means the engagement of design services from a juristic person or an individual who operates a construction design business, or the engagement of other design work that requires work supervision, such as interior design.

"Consultancy Engagement" means the engagement of consultancy services from a juristic person or an individual who practises a profession or provides consultancy services related to engineering, architecture, economics, education, finance, accounting, law or other fields, but excludes design engagement and construction supervision engagement.

"Computer System Development Engagement" means the engagement of services for the analysis and design of computer systems, together with Hardware costs, software costs and expenses related to system development.

"Repeat Order" means the procurement of goods or services that need to be purchased or engaged in additional quantities from the same vendor/contractor whose contract or delivery period have not yet expired.

"Security" means the cash-equivalent item provided by a vendor/contractor to the Company in accordance with the mutually agreed terms to secure against any liability or damage that may arise.

"Defaulting Contractor" means a bidder that has won a bid but fails to enter into a contract with the Company, or has entered into a contract but is unable to deliver the goods or services in accordance with the terms and conditions of the contract.

"Dishonest Procurement" means procurement where a subsequent review finds that one or more bidders, whether selected or not, have acted to obstruct fair competition or have acted dishonestly, such as submitting false documents, using another individual's name to submit a bid on their behalf, concealing facts relating to a lack of transparency towards the Company, or having a common interest with an employee of the Company.

"Vendor Category" means the classification of vendors according to their capabilities in production and service provision so that vendors can be selected appropriately for each type of work.

" Vendors/Business Partners with Common Interests" means:

(1) Vendors/business partners with a management relationship, where a manager, managing partner, managing director, executive, or person with authority to manage the business of an individual or juristic person has authority or is able to exercise authority to manage the business of another individual or juristic person, directly or indirectly; or

(2) Vendors/business partners with a capital relationship, where a partner in an ordinary partnership, or an unlimited liability partner in a limited partnership, or a major shareholder in a limited company or public limited company, is also a partner in another ordinary partnership or limited partnership, or a major shareholder in another limited company or public limited company.

"PUR" means the Procurement and Administration Department.
"BD" means the Business Development Department.
"PD" means the Project Development Department.
"Mkt" means the Marketing Department.
"User" means the department that requires procurement.
"RFQ" means Request For Quotation.
"One Time Vendor" means a vendor of goods or services from whom the Company intends to purchase or engage only once, on a temporary basis, with no need for continuous monitoring of the vendor's performance.
"Hardware Based on Special Specification" means hardware with performance or features that exceed the Company's general standards. Such hardware refers to electronic equipment or standard computer equipment specified by the Business Technology Integration Department.

This Procurement Policy consists of 9 sections, as follows:
Section 1 Authority and Responsibilities of the Procurement Unit and the Procurement Committee
Section 2 Recruitment and Selection of New Vendors (Vendors/Contractors) and Addition to the Approved Vendor List
Section 3 Purchase Requisition
Section 4 Procurement Methods

Section 5 Preparation of Purchase Orders / Agreements / Contracts / Security
Section 6 Inspection and Acceptance
Section 7 Vendor Performance Evaluation
Section 8 Action in the Event of Breach of Contract
Section 9 Code of Conduct for Procurement

SECTION 1

Authority and Responsibilities of the Procurement Unit and the Procurement Committee

1.1 The Company defines the authorities and responsibilities of the Procurement Unit as follows:

(1) Establish procurement standards based on honesty, integrity, transparency, fairness and auditability, with the aim of obtaining quality goods or services that are suitable for use, reasonably priced and provide the greatest benefit to the Company within the specified timeframe in order to maintain the Company's sustainable competitiveness. This includes reporting procurement that does not comply with the Company's Procurement Policy to the Executive Committee for acknowledgement, in order to monitor such matters and establish effective preventive guidelines going forward.

(2) Establish criteria, operating guidelines and procedures for the procurement of each type of material/work (Procurement Procedure Control Table) in accordance with the policies prescribed by the Company.

(3) Review and update the prices in the price lists prescribed by the Company.

(4) Consider the preliminary qualifications of new vendors and prepare a vendor registration list.

(5) Select vendors/contractors with good quality and potential based on their expertise and experience in various types of work.

(6) Compare vendors/contractors and negotiate prices.

(7) Announce the prices of the vendors selected for each type of work, and prepare the related documents in accordance with the Company's operating procedures.

(8) Control the procurement ceiling (Purchase ceiling) for certain types of work/materials in accordance with the procedures prescribed by the Company.

(9) Evaluate the performance of vendors/contractors in accordance with the Company's requirements.

(10) Perform other duties to improve the procurement process.

SECTION 2

Recruitment and Selection of New Vendors (Vendors/Contractors)

The Company has standards for the fair and transparent selection, evaluation and review of vendors, based on business stability, vendor reliability and the ability to effectively meet the Company's needs through vendor management. Potential vendors are selected through a preliminary assessment (Pre-Qualification) to evaluate their capabilities based on the following criteria:

2.1 Criteria for Considering Basic Qualifications Prior to Vendor Registration

1) Preliminary qualification assessment through a review of application documents and supporting evidence (Document Review): applicable to all contractors, vendors, agencies, and organisers.

2) Preliminary qualification assessment through a vendor interview: applicable to certain types of work/materials that require additional information. Vendors shall explain their past work to demonstrate how they operate and shall have the opportunity to answer questions regarding the conditions and limitations relating to the work.

3) Preliminary qualification assessment through a visit and inspection of the factory/actual premises (Factory/Site Visiting): applicable to certain types of work/materials that require inspection of the manufacturing/installation process and sources of materials to ensure suitability for requirements and standards, or inspection of the quality of materials/manufacturing components at the actual premises to build confidence before approval for the AVL.

2.2 Vendors Required to Undergo Preliminary Qualification Assessment before Vendor Registration (Approved Vendor List: AVL)

1) Vendors that have already been registered but have not conducted business with the Company for two consecutive years from the last Payment date. If the Company wishes to purchase from such vendors again, the vendors must register again in accordance with the prescribed criteria before they can conduct business with the Company.

2) Where a vendor's preliminary qualifications do not fully meet the criteria prescribed by the Company, but it is necessary to approve such vendor as a special case, PUR shall submit the vendor's preliminary qualification assessment for special consideration to the Executive Committee for approval.

3) Vendors sourced by PD for additional work shall undergo preliminary qualification assessment through a review of application documents and supporting evidence (Document Review), at a minimum, before procurement proceeds.

4) Vendors whose annual evaluation score is below 70% must first improve their performance or submit a clear and credible improvement plan to demonstrate that improvements can be made.

5) Vendors that are not required to undergo a preliminary qualification assessment before vendor registration are One Time Vendors and vendors considered not to have a material impact on procurement risk, such as government agencies, state enterprises, public organisations, department stores (Department Store), hypermarkets (Hyper mart), general retail stores, convenience stores, and building juristic persons.

2.3 Vendor Registration Procedures

1) The requester completes the form and prepares three complete sets of supporting documents.

2) The Procurement Officer provides the vendor registration documents to the vendor. The vendor shall prepare and submit the following documents:

Juristic Person	Individual
1. Certificate, Por.Por.20 2. Company Registration Certificate 3. Copy of bank book	1. Copy of identification card 2. Copy of bank book

3) The Procurement Officer reviews the documents received and verifies the information. If the documents and information are correct and complete, they shall be submitted to the VP of Procurement and Administrative for approval.

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4) The Procurement Officer enters the vendor registration information into the CM system. Once the information has been entered, the system will generate a vendor code. The Procurement Officer shall enter the vendor code in the form together with the effective date. (The Procurement Officer shall check the CM system before notifying the vendor code to ensure that no duplicate vendor code has been created.)
5) The Procurement Officer copies the form and vendor code together with the supporting documents and sends them to Accounting every Monday.
6) The Accounting Officer shall verify the information in the system against the documents received. If the information is correct, the Accounting Officer shall specify the accounting code, sign the Creditor Code Request Form, and submit it to the Account Manager for approval.
7) The Accounting Officer sends the vendor registration form and vendor code to the Procurement Officer for filing in the Procurement Department's vendor database.

SECTION 3

Purchase Requisition

Departments of the Company that require goods or services shall proceed as follows:

1. The purchase requisition must clearly specify the scope and requirements for the goods or services. Supporting technical documents shall be prepared, such as drawings (Drawing), product standards (Standard), specifications (Specification), scope of work (Scope of Work), characteristic or quality testing requirements, inspection methods and other relevant requirements, in detail.
2. Each department that requests procurement shall be responsible for controlling the use of its own procurement budget and verifying the accuracy of purchase/procurement information.
3. All types of procurement require a purchase/service requisition to be submitted to the Procurement Unit, except for goods related to advertising, both online and offline, and residential design work, for which procurement shall be carried out through the Construction Management (CM) system. The procedures for using the system can be found in the CM System User Manual.
4. Persons authorised to approve purchases/procurement shall comply with the authority prescribed by the Company.

SECTION 4

Procurement Methods

Procurement shall be carried out in accordance with the current Procurement Policy. The Procurement Unit / other departments / assigned persons shall be responsible for verifying the correctness of the approval authority for purchases/procurement before proceeding with procurement.

4.1 Procurement Methods

The Company prescribes 5 procurement methods, as follows:

4.1.5 Bidding
4.1.5 Compare / RFQ
4.1.5 Company Selection
4.1.5 Price Verification
4.1.5 Marketing Procurement

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4.1.1 Bidding

For Bidding, the materials/work to be procured through the Bidding method shall be as specified in the Procurement Procedure Control Table (Attachment 1). The requesting department (User) shall prepare details of the scope of work, such as the TOR or other documents, and send them to the Procurement Unit (PUR) via the Company's E-mail only. The Procurement Unit (PUR) shall be responsible for contacting vendors/contractors. The list of vendors/contractors to be proposed shall be considered in accordance with the vendor/contractor proposal method under Clause 4.1.1.1. The Procurement Unit shall notify the vendors/contractors in advance of the date and schedule of the Bidding so that they can submit their bids to the Company. The Procurement Unit shall conduct the Bidding on the date and at the time specified by the Procurement Unit to select vendors/contractors with expertise, potential, production capacity, satisfactory past performance, readiness to perform work for the Company. The Procurement Unit shall also be responsible for negotiating prices with vendors/contractors. The selection of the winning bidder shall be conducted in accordance with Clause 4.1.1.2.

The Procurement Unit shall summarise the results of the selection of the winning bidder from the Bidding and notify the departments that participated in the Bidding of the results. The process shall be completed within the prescribed announcement period, and the results shall be announced not later than 3 days from the date of the Bidding. (The selection result may initially be notified by E-mail where the award announcement document has not yet been completed.) However, if there is a necessary reason why the selection result cannot be announced within the prescribed period, the VP of Procurement and Administrative shall sign the document used to notify the result of the selection of the winning bidder (Compare Price Comparison Summary Form), with the reason stated, and the document shall be retained as supporting evidence.

After the winning bidder is known, the Procurement Unit shall prepare the award announcement (Award), obtain the signature of the authorised person, and notify the relevant parties.

4.1.1.1 Proposal of Vendors/Contractors for Invitation to Participate in the Selection Process

The Procurement Unit shall propose vendors/contractors from the Company's Approved Vendor List (AVL) that have expertise, satisfactory past performance and readiness to undertake work for the Company. The criteria and number of vendors/contractors to be invited to participate in the selection process shall be considered using the following methods:

(1) Proposal of Vendors by the Procurement Unit: The Procurement Unit shall select vendors/contractors with expertise, a good reputation or satisfactory past performance, and readiness to undertake work for the Company. At least 3 vendors shall be invited to participate in the Bidding, except where fewer than 3 vendors meet the prescribed qualifications or are ready to undertake the work (in the case of Bidding). Consideration shall be given to ensuring that there are no common interests among the vendors submitting proposals, and the reasons for the necessity shall be recorded in writing and retained as supporting evidence. The types of work/materials for which vendors are proposed by the Procurement Unit shall be as specified in the Procurement Procedure Control Table prescribed by the Procurement Unit (Attachment 1).
Note: For procurement through the Price Comparison / Request for Quotation method (Compare/RFQ), the procedures prescribed in Clause 4.1.2 shall apply.

(2) Proposal of Vendors by Other Departments: The department requesting the procurement or another department involved in the work may propose suitable vendors to participate in the selection process. If a proposed vendor is a new vendor, the Procurement Unit shall carry out the process for the recruitment and selection of new vendors (vendors/contractors) in accordance with Section 2.

4.1.1.2 Selection of the Winning Vendor

The Procurement Unit shall apply the following criteria in selecting the winning vendor/contractor:

(1) Selection Based on Minimum Price: This method applies to types of work/materials that generally have established market standards (such as industrial product standards and BOQ) or where each vendor submits a proposal on the same basis (apple to apple). In this case, the person authorised to select the winning bidder in accordance with the Company's authority table shall select the vendor offering the lowest price, or a price not more than 5% higher than the lowest price, as the winning bidder for that Bidding, subject to the project budget and the approval of the Procurement Unit.

Note: Where it is necessary to select a vendor, whose proposed price is more than 5% higher than the lowest price, approval from the Executive Committee is required.

(2) Selection Based on Reasonable Price: This method applies to purchases or engagements that are complex, aesthetically focused, have specific characteristics, or involve relevant technology, etc., where price alone may not be sufficient for vendor selection and other factors must also be considered. In this case, the person authorised to select the winning Vendor in accordance with the Company's authority table may consider price together with other criteria, such as total cost over the useful life, after-sales service, technological advancement, compatibility with the Company's systems, or other relevant factors, to select the vendor/contractor that submits the best proposal as the winning bidder, subject to the project budget and the approval of the Procurement Unit. The results of the consideration shall also be recorded. However, if the Procurement Unit does not apply other criteria in selecting the vendor/contractor, price may be used as the principal criterion for selecting the winning bidder, and the results of the consideration shall also be recorded.

Note: For procurement through the Price Comparison / Request for Quotation method (Compare/RFQ), the procedures prescribed in Clause 4.1.2 shall apply.

4.1.2 Price Comparison / Request for Quotation Method (Compare/RFQ)

For the Price Comparison / Request for Quotation method (Compare/RFQ), the types of materials/work to be procured through this method shall be as specified in the Procurement Procedure Control Table (Attachment 1). The requesting department (User) shall send the procurement details to the Procurement Unit via the Company's E-mail. The Procurement Unit shall contact vendors/contractors listed in the Company's Approved Vendor List (AVL) and provide them with details of the materials/work to be procured. The Procurement Unit may request quotations by E-mail so that the vendors/contractors can submit their quotations to the Company. For materials/work that are generally available in the market, price comparison (Compare) shall be conducted among vendors/contractors. Where the procurement value is less than 50,000 baht, quotations from at least 2 vendors shall be compared, and where the procurement value is 50,000 baht or more, quotations from at least 3 vendors shall be compared. Exceptions apply to certain materials/work with specific limitations where another vendor cannot be used, such as products with a sole vendor (for example, a vendor that is the sole authorised distributor in Thailand, or an authorised distributor formally appointed by the product owner or manufacturer in Thailand and designated to sell to the Company), construction-related work that must be procured from a specific source, or urgent work where the use of Bidding or Compare may cause delays and create a risk of damage to operations. In such cases, the Request for Quotation method (RFQ) may be used with that vendor, with every effort made to negotiate the price so that the Company receives the most appropriate proposal. The reason for such necessity shall be recorded and retained as supporting evidence. In addition, where the Procurement Unit has a reference price for the materials/work, such as a price previously negotiated through Bidding/Compare or a reference price from a previous project/work that can be used for comparison, the Request for Quotation method (RFQ) may be used with one vendor, with every effort made to negotiate the price within the reference price range so that the Company receives the most appropriate proposal. The reference price must have been negotiated not more than 1 year before the date on which the reference price is required so that the information remains current and suitable for reference.

After the authorised person has selected the winning vendor, the Procurement Unit shall notify the relevant parties of the result. The selection result may be notified by E-mail, with relevant supporting evidence, such as the quotation, retained as supporting evidence for the selection.

4.1.3 Special Procurement Method (Company Selection)

This method applies to the procurement of materials/work for which the procurement method is not specified in the Procurement Procedure Control Table (Attachment 1), but where the purchaser needs to procure from a specifically designated vendor/contractor. This special procurement method requires approval from the CEO only. The purchaser shall clearly specify the scope of work to cover the work for which approval under this special method is requested (Special Procurement Approval Form, Attachment 2). The Procurement Unit (PUR) shall be responsible for price negotiation (First Offer & Final Price) and shall negotiate the terms and conditions to the greatest extent possible. As some work may be urgent and the purchaser may have already agreed on the price with the vendor/contractor, the final price shall therefore be approved on an exceptional basis within the procurement budget under this special method approved by the CEO or in accordance with the Company's prescribed operating procedures.

As procurement through the Company Selection method is a method that the Company needs to control to the extent necessary due to transparency risks and limitations on the Procurement Unit's bargaining power, the Company requires the Procurement Unit to prepare a summary of all procurement conducted through the Company Selection method, regardless of the value of the work. The Procurement Unit shall keep the list up to date and shall be able to present it to the Internal Audit Department upon request for audit.

4.1.4 Price Verification Method

This method applies to procurement with any of the following characteristics:

- Procurement of materials/work that needs to be purchased or engaged additionally as a repeat order (Repeat Order), either from the same vendor/contractor whose contract or delivery period has not yet ended, or from a new vendor/contractor under the previous price or the market price, such as additional landscaping work.
- Procurement of materials/work that needs to be separated from the main work for separate purchase or engagement, where such separation is necessary for the benefit of the Company. The price of the separated materials/work must be within the approved overall budget of the main work (Overall Budget).
- Specific groups of work, such as high temporary fencing, sales office contractors, system and swimming pool work, decoration of ready-for-sale rooms (show units, promotional rooms), finishing-work contractors, house-plot dividing fences / fences between plots, and curtains.
- Materials/construction work not specified in the Procurement Procedure Control Table (Attachment 1), where such materials/work are not part of the main work or work included in the overall project scope.

The Price Verification method shall be carried out by the purchaser, who shall submit procurement documents, such as a quotation from a vendor/contractor that has already been approved by the authorised person of the purchasing department, to the Procurement Unit via the Company's E-mail. The Procurement Unit shall be responsible for price negotiation (First Offer & Final Price) and shall negotiate the terms and conditions to the greatest extent possible. As some work may be urgent and the purchaser may have already agreed on the price with the vendor/contractor, the final price agreed with the vendor/contractor shall therefore be approved on an exceptional basis under the procurement documents (such as the quotation) approved by the authorised person of the purchasing department.

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However, if the Procurement Unit finds any of the following irregularities concerning a vendor:

- The vendor submits an unreasonable price proposal, and the Procurement Unit is unable to negotiate a reasonable price with the vendor; or
- There are reasonable grounds for suspicion regarding transparency, such as a conflict of interest between the vendor and an employee of the Company, or any other reason that affects the Procurement Ethics (see Section 9).

If any such irregularity is found, the Procurement Unit shall proceed as follows:

(1) Suspend the procurement for that particular transaction. The Procurement Unit shall coordinate with the head of the purchasing/engaging department to report the matter to the CEO and "temporarily suspend the use of such vendor"; or

(2) If suspension of the procurement would have a greater adverse impact on the Company than the benefit to be gained, the purchasing department may proceed with the procurement for that transaction. The Procurement Unit shall coordinate with the head of the purchasing/engaging department to jointly report the matter to the CEO and "temporarily suspend the use of such vendor after the procurement for that transaction has been completed."

(3) The Procurement Unit shall then complete an investigation into the suspected irregularity within 30 days from the date the matter is reported to the CEO. If the investigation finds facts that reasonably indicate "Fraudulent Procurement," all information shall be reported to the Executive Committee for acknowledgement, and "the use of such vendor shall be permanently suspended."

4.1.5 Marketing Procurement Method

This method applies to procurement related to marketing activities where an Agency & Organizer is engaged to carry out the work, such as advertising media production, public relations, or the organisation of marketing and sales promotion activities. Such work requires a vendor who understands the Company and has a good knowledge of the Company's background. Using another vendor requires time to develop an understanding of the Company's context, which may affect the work and create a risk to the quality of work that must be delivered within a limited period.

The Marketing Procurement method shall be carried out by the purchaser (Marketing Department). The types of materials/work to be procured through this method shall be as specified in the Procurement Procedure Control Table for Materials and Work (Attachment 1), under the column "Marketing Procurement Method", and are divided into the following 3 methods:

1) Bidding by Corporate
2) Compare/RFQ for Marketing
3) Company Selection for Marketing

4.1.5.1 Bidding by Corporate

This method involves the Procurement Unit sourcing and announcing Vendors through Bidding or price comparison to establish the Company's actual reference price (by Corporate) for marketing work where Vendors charge a fixed Unit Rate, regardless of whether any price discount is subsequently agreed. A Vendor that wishes to undertake work for the Company shall submit its Company Profile, work experience for the past not more than 3 years, and competitive prices for products/services, if any. The Procurement Unit shall review and analyse all information submitted by the Vendor and assess the Vendor in terms of work quality, delivery period, and competitive pricing structure in order to approve a list of Vendors that meet the qualification requirements (Qualified Vendor Registration). The list of such Vendors shall then be announced to the relevant parties.

When the Marketing Department needs to procure work through the Bidding by Corporate method, it shall select a Vendor from the Qualified Vendor Registration for quotation, and the Procurement Unit shall participate in price negotiations each time before the final price is concluded.

The Procurement Unit shall review the suitability of the Vendors in the Qualified Vendor Registration at least once a year to ensure that such Vendors can continue to maintain work quality, delivery periods, and competitive pricing.

4.1.5.2 Compare/RFQ for Marketing

This procurement method is the same as that specified in Clause 4.1.2, Price Comparison / Request for Quotation Method (Compare/RFQ), except that the purchaser from the Marketing Department shall submit the procurement documents, such as the selected quotation, to the Procurement Unit. For the Compare method, the Marketing Department shall compare at least 2 Vendors. Alternatively, the Request for Quotation method (RFQ) may be used with a Vendor where there is a reference price, such as a price previously negotiated through Bidding/Compare, or where the work is a repeat purchase. The reference price must not be more than 1 year old. The documents shall then be submitted to the Procurement Unit.

4.1.5.3 Company Selection for Marketing

This method applies to work specified in the Procurement Procedure Control Table for Materials and Work (Attachment 1) that requires specialised expertise in marketing promotion activities. Where the purchaser needs to procure such work from a specifically designated vendor, this Company Selection method requires approval of the quotation in accordance with the authority prescribed under PR Expense. The Procurement Unit (PUR) shall be responsible for price negotiation (First Offer & Final Price) and shall negotiate the terms and conditions to the greatest extent possible. As some work may be urgent and the purchaser may have already agreed on the price with the vendor, the final price shall therefore be approved on an exceptional basis within the procurement budget approved under this special method, as stated above, or in accordance with the Company's prescribed operating procedures.

Procurement of IT/Digital Products and Services: For procurement under Clauses 4.1.1 to 4.1.5 that involves IT products and services, the purchasing department and the Procurement Unit shall comply with the relevant announcement on the procurement of IT products and services or the Information Technology System Procurement and Development Policy, together with any amended versions or other additional announcements issued in the future, in conjunction with this Procurement Policy. The Information Technology Department shall participate in determining the Specifications and in the vendor selection process in accordance with the methods prescribed by the Company to ensure that the IT products and services meet the required Specifications.

In addition, procurement related to:

1) Application development; and
2) Hardware with Special Specifications that is not related to project development (Non-production)

shall be reviewed by the VP of Business Process Improvement and Information Technology prior to procurement.

Note: 1. For any materials/work not covered by the Procurement Procedure Control Table (Attachment 1), the Procurement Unit shall consider and proceed with the procurement by selecting the appropriate procurement method, with the Company's interests as the primary consideration. The results of the process shall be recorded and retained as supporting evidence to ensure transparency in every case.

2. The Company does not permit the procurement of products and services through online marketplaces.

Summary of Procurement Methods	
Procurement Method	Description
4.1.1) Bidding	Vendors are invited to participate in the Bidding on the specified date and at the specified time. The winning Vendor is selected on the date specified by the Procurement Unit.
4.1.2) Price Comparison / Request for Quotation (Compare/RFQ)	Quotation requests are sent to Vendors by E-mail for price comparison / price negotiation with Vendors, and the selection result is notified to the relevant parties by E-mail.
4.1.3) Special Procurement Method (Company Selection)	Applies to materials/work for which the Procurement Procedure Control Table cannot be followed and requires approval from the CEO or in accordance with the Company's prescribed operating procedures.
4.1.4) Price Verification Method	• Additional work or repeat orders. • Materials/work separated from the main work within the approved budget. • Specific groups of work, such as high temporary fencing, sales office contractors, system and swimming pool work, decoration of ready-for-sale rooms (show units, promotional rooms), finishing-work contractors, house-plot dividing fences / fences between plots, and curtains. • Materials/construction work not covered by the Procurement Procedure Control Table (Attachment 1), provided that such materials/work are not part of the main work or work included in the overall project scope.
4.1.5) Marketing Procurement Method	Procurement by the Marketing Department and procurement through an Agency & Organizer using the methods prescribed by the Company.

SECTION 5

Preparation of Purchase Orders (PO), Letters of Agreement, Contracts, or Security

The preparation of purchase orders, letters of agreement, contracts, or security shall be the responsibility of the Procurement Unit or the department assigned to perform procurement duties and shall be carried out in accordance with the policies prescribed by the Company, as follows:

1. In addition to the preparation of a purchase order, the following procurement shall require a written contract or letter of agreement:
   - Procurement with a value exceeding 10 million baht.
   - Work that involves the use of heavy machinery and may cause accidents or injury to other persons.
   - A deposit of 1 million baht or more.
   - Work with details concerning terms and conditions, services, duration, or warranties that cannot be fully specified in the purchase order.
2. The preparation of a contract under Clause 1 above shall be at the discretion of the Procurement Unit on a case-by-case basis.

3. The signing and approval of purchase orders, letters of agreement, or contracts shall be in accordance with the Company's Announcement on the Delegation of Authority.

4. Once a contract has been duly signed, it shall be submitted to the Legal Department for registration and safekeeping.

5. No amendment shall be made to a duly signed contract or memorandum of agreement, except where such amendment is necessary and does not cause the Company to lose any benefit, or where the amendment is made to protect the Company's interests. The authorised person shall consider and sign the amendment in accordance with the Company's Announcement on the Delegation of Authority.

6. Security: The Company requires vendors/contractors to provide either a cheque or a letter of guarantee issued by a commercial bank established and registered in Thailand as security to the Company against liability or damage. The criteria shall be as prescribed by the VP of Procurement and Administrative.

7. The types of security prescribed by the Company are as follows:
   1. Advance Bond: Security for advance payment.
   2. Performance Bond: Security for performance of work.
   3. Maintenance Bond: Security against damage.

8. The Procurement Unit shall consider the necessity and appropriateness of requiring vendors/contractors to provide security and shall determine the amount and period of the security as appropriate, taking into account potential damage and risks.

9. Security provided by vendors/contractors to the Company shall be submitted to the Accounting Department for control and safekeeping.

10. The return of security to vendors/contractors shall be carried out in accordance with the conditions of the contract.

SECTION 6

Inspection and Acceptance of Work

The relevant departments of the Company that require products or services shall inspect and accept the products or services to ensure that they are correct and complete, and shall sign to acknowledge receipt of the products or services in accordance with the Company's Announcement on the Delegation of Authority or other relevant announcements.

SECTION 7

Vendor Performance Evaluation

To ensure that the Company receives high-quality, accurate and complete products or services in accordance with the mutually agreed terms and conditions, the Company requires the Procurement Unit to carry out the following:

1. Determine the products or services of vendors/contractors that are subject to evaluation and those that are not, and review the appropriateness of such items at least once a year.
2. Arrange for the performance of vendors/contractors to be evaluated at least once a year.
3. Establish written evaluation criteria for each type of work, with results that can be clearly measured and scored.

4. Establish criteria for considering the suspension of vendors/contractors that fail to meet the Company's evaluation criteria until their performance can be improved to meet the prescribed criteria.

5. Require the departments that need the products or services to participate in evaluating the performance of vendors/contractors using the Vendor/Contractor Performance Evaluation Form within the period prescribed by the Company.

6. Retain the vendor/contractor evaluation results and use them to support consideration and decision-making in the vendor/contractor selection process.

SECTION 8

Procedures in the Event of Vendor Breach of Contract

1. Termination of a contract or letter of agreement: The authorised person who approved and signed the contract, in accordance with the Company's Delegation of Authority, shall consider exercising the right to terminate the contract where there are reasonable grounds to believe that the contractor will be unable to deliver the work within the prescribed period, which would cause serious damage to the Company.

2. Imposition of penalties where a vendor/contractor breaches the contract: This applies where products or services are delivered incorrectly or incompletely, are not delivered, or are delivered later than the period mutually agreed in the purchase order, letter of agreement, or contract.

3. Waiver or reduction of contractual penalties: The authorised person who approved and signed the purchase order, letter of agreement, or contract shall approve the waiver or reduction of penalties imposed on the vendor/contractor as necessary and appropriate to the circumstances.

4. Extension of the delivery period for products or services: The authorised person who approved and signed the purchase order, letter of agreement, or contract shall have the authority to approve an extension, based on the following circumstances that actually occurred:

    1) Causes arising from the Company's fault or deficiency.
    2) Causes arising from the Company's increase or reduction of the scope of work.
    3) Force majeure.

5. Preparation of the Contractor Blacklist: The Procurement Unit shall prepare and maintain the Contractor Blacklist and submit it to the Executive Committee for acknowledgement every quarter.

SECTION 9

Procurement Ethics

To ensure that the Company's procurement personnel perform their duties within an ethical framework based on the fundamental principles of honesty, integrity, transparency, fairness and accountability, with the Company's interests as the priority and equal treatment of vendors, procurement personnel shall strictly adhere to the following ethical principles:

1. Conflict of Interest: Employees shall perform their duties with the Company's interests as the priority. They shall not use their authority or decision-making power for their own benefit, that of their associates, or that of any company in which the employee has an interest. Where a close person (relative, sibling, spouse or child) has a personal relationship with a vendor/contractor, the employee shall disclose the conflict of interest to their immediate supervisor so that another employee can be assigned to perform the duty instead.

2. Kickback: Employees shall not solicit or accept kickbacks from vendors in any form and shall strictly comply with the Company's Anti-Corruption Policy.

3. Receipt of Gifts, Hospitality or Other Benefits (Gift, Hospitality): Employees shall strictly comply with the Company's policy on the receipt and provision of gifts, hospitality, other benefits and entertainment.

4. Confidentiality of Company Information: Employees and vendors/contractors shall appropriately maintain the confidentiality of the Company's documents and information, such as technical information, vendors'/contractors' price proposals, technical comparison documents and contracts. Such information shall not be disclosed to any other person without approval from the Company's authorised person.

5. Vendor Relationships: Relationships between purchasers or persons with decision-making authority and vendors shall be based on integrity, fairness and equality. Information and requirements shall be disclosed clearly, accurately and completely through equally accessible means and at an appropriate time. In addition, any act that assists or supports a vendor in committing an unlawful act, such as tax evasion, shall be avoided.

This Policy shall take effect on 1 November 2023.

Reviewed by	Approved by
(Mr. Suttirak Vatthanakul)	(Mr. Pumipat Sinacharoen)
VP of Procurement and Administrative	Chief Executive Officer

Attachments

Attachment 1: Procurement Procedure Control Table
Attachment 2: Special Procurement (Company Selection) Approval Form
Attachment 3: Creditor Code Request Form (Vendor Registration)

Proposed by ____________________ Mr. Kornwara Sai-intr (VP of Business Process Improvement and Information Technology)