

Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging

SCG PACKAGING PUBLIC COMPANY LIMITED

The Meeting of the Board of Directors No. 216 (12/2019) on December 16, 2019, has resolved to approve the setting up and disclosure of the Procurement and Vendor Selection Policies and Guidelines of SCG Packaging to ensure that the selection process of SCG Packaging will be systematic, fair and transparent. SCG Packaging 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 Packaging.

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

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

SCG Packaging means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company according to the consolidated financial statement.

Procurement and Vendor Selection Policies of SCG Packaging

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

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

Qualifications of SCG Packaging'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 Packaging's Supplier Code of Conduct
4. The Vendor shall have satisfactory performance records, which will be evaluated by SCG Packaging 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 Packaging's business.
6. The Vendor shall never been banned from doing business due to fraudulent conducts.

Application for Vendors of SCG Packaging

1. Prospective vendors can submit an application form provided by SCG Packaging 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 Packaging's procurement unit.
2. SCG Packaging's Vendor shall sign its agreement to comply with SCG Packaging's Supplier Code of Conduct.

Business Transaction Procedures with SCG Packaging

1. SCG Packaging 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 Packaging 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 Packaging will be considered constituting the transactional obligations between both parties.

3. For submitting a price quotation or entering into an agreement, SCG Packaging 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 Packaging for payment at the time and place specified by SCG Packaging. This is to provide convenience and speed of operation for all work units. SCG Packaging 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 Packaging reserves the right to issue only account payee cheques.
5. Vendors may request an amendment of their data in the SCG Packaging system by contacting SCG Packaging'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 Packaging's Corporate Governance Principles through the specified channel at SCG Packaging's Whistleblowing System, <https://whistleblower.scgpackaging.com>.

This Policy shall be effective from December 16, 2019.

Announced on December 16, 2019.

-Signed by-

(Mr. Prasarn Trairatvorakul)

Chairman of the Board of Directors