

Procurement Policy and Code of Conduct

TCM Corporation Public Company Limited and its subsidiaries (the "Company") prioritize treating trade partners with transparency, equality, and fairness, while considering business ethics, human rights, environmental impact, and stakeholder safety across all levels. Trade partners play a crucial role in the Company's operations. To ensure alignment with the core principles of good corporate governance and promote sustainable business practices, the Company has developed this Procurement Policy. Its primary goal is to establish a framework and guidelines for procurement operations that are transparent, auditable, efficient, cost-effective, and consistent with good corporate governance principles, all aimed at maximizing benefits for both the Company and its trade partners.

Objectives

1. To ensure that all procurement activities are conducted with transparency, fairness, and are auditable at every stage.
2. To acquire goods and services of the right quality, meeting requirements, at an appropriate price, and in a timely manner.
3. To promote fair and equitable competition.
4. To prevent and mitigate risks arising from fraud and corruption in procurement.
5. To build trust among all stakeholders.
6. To manage the budget efficiently and for maximum benefit.
7. To comply with relevant laws, rules, regulations, and industry standards related to procurement.
8. To prioritize procurement with the least environmental impact by promoting products manufactured under the 3R principles (Reduce, Reuse, Recycle) to lessen environmental burdens.

Scope

This policy governs the procurement of goods, services, construction, and any other assets necessary for the Company's operations, whether carried out by internal departments or by third parties acting on its behalf.

Responsible Parties

1. Board of Directors: Establishes and ratifies the procurement policy while ensuring its rigorous enforcement.
2. Management/Assigned Managers: Accountable for overseeing the procurement process in line with the policy and authorizing purchases within established budgetary limits.
3. Purchasing Department/Business Unit Responsible for Procurement: Executes procurement in accordance with established procedures, prepares relevant documentation, evaluates and selects vendors or service providers, negotiates terms, and manages contracts.
4. Purchasing/Hiring Requesting Department: Identifies the need for goods/services, creates purchase/service requests, and participates in the inspection and acceptance of goods/services.
5. All Employees: Must strictly adhere to the procurement policy and procedures, and report any suspicious behavior that may indicate fraud or misconduct.

Key Principles in Procurement

1. **Transparency:**
 - The procurement process must clearly and comprehensively disclose necessary information to relevant parties.
 - Vendor/service provider selection criteria must be clear and communicated in advance.
 - Documentation must be maintained at every stage and be auditable.
2. **Value for Money:**
 - Procurement must consider price, quality, quantity, delivery time, after-sales service, and other relevant factors to achieve maximum benefit for the Company.
 - Comparison of prices and proposals from multiple vendors/service providers is encouraged.
3. **Fair Competition:**
 - Qualified vendors/service providers shall be given an equal opportunity to participate in bidding.
 - Any actions that restrict competition or unfairly favor a particular vendor/service provider shall be avoided.
4. **Accountability:**
 - Authorizing personnel and staff involved in procurement must be responsible for their decisions and actions.
 - Roles, authorities, and responsibilities of those involved shall be clearly defined.
5. **Efficiency and Effectiveness:**
 - The procurement process must be swift, agile, and responsive to the Company's needs in a timely manner.
 - Information technology shall be utilized to help manage the procurement process and enhance efficiency.
6. **Anti-Corruption and Conflict of Interest:**
 - Employees involved in procurement must perform their duties with honesty and integrity and must not solicit or accept any benefits from vendors/service providers.
 - Employees must disclose any personal interests that may conflict with their duties and avoid involvement in decision-making in cases of conflict of interest.
 - The Company has disciplinary measures for those who commit fraud or misconduct in procurement.

The Company prioritizes combating all forms of corruption. To affirm this commitment, the Company has joined the "Thai Private Sector Collective Action Against Corruption (CAC)" to ensure that the Company has established policies, practices, and regulations consistent with its business operations.

Sustainable Procurement

The Company supports procurement that considers environmental, social, and governance (ESG) impacts by selecting environmentally friendly goods and services, promoting local entrepreneurship, and advocating for adherence to human rights and fair labour practices.

Supplier Sustainability Guidelines

The Company has consistently strived to manage its supply chain sustainably, working with suppliers to obtain raw materials and services of high quality and standard at reasonable prices, thereby enabling competitiveness. This approach also adheres to social and economic standards, promoting good corporate governance throughout the production, delivery, and service lifecycle.

In this context, the Company has revised and enhanced its information, transitioning from a supplier manual to a Procurement Code of Conduct that thoroughly addresses sustainable working guidelines and includes an annual supplier assessment form, placing greater emphasis on sustainability and environmental concerns. The Company genuinely hopes this transition fosters ongoing sustainable management.

Operational Guidelines

1. Risk Management: Risk reviews are conducted through annual workshops to brainstorm ideas and opinions from various departments to establish risk management for procurement, including:
 - 1.1 Geopolitical Risk: Events such as wars, terrorism, and international tensions that affect the business of the Company and its suppliers.
 - 1.2 Zoning: Dividing suppliers based on their location in geopolitically problematic areas.
2. Sustainable Supply Chain Management:
 - 2.1 Procurement Policies or Practices: Social and environmental issues are addressed in operational procedures.
 - 2.2 Establish a Business Code of Conduct for Suppliers.
 - 2.3 Conduct On-site Audits: To visit supplier factories and implement sustainable supply chain management principles.
3. Engagement in Sustainable Business Practices for Suppliers:
 - 3.1 Supplier Grouping: Categorizing suppliers into tiers to understand their potential for sustainable business practices.
 - 3.2 Encourage Small Suppliers' Participation in a Sustainable Supply Chain: For example, mandate the use of recycled materials in delivered goods.

Whistleblowing and Complaints

The Company offers secure channels for employees and external parties to report complaints about fraud, misconduct, or violations of the procurement policy. Whistleblowers will receive protection, and investigations will be carried out impartially.

Reports must be made in writing and sent to the following complaint channels:

- (1) Postal: Audit Committee Secretary and/or Chief Executive Officer
TCM Corporation Public Company Limited
2054 New Petchburi Road, Bangkok, Huaykwang, Bangkok 10310

- (2) Email: Audit Committee Secretary: auditcom@tcm-corporation.com
Chief Executive Officer: piyaporn@tcm-corporation.com
- (3) Via the Company Website: www.tcm-corporation.com under the "Whistleblower Report" section.

Penalties

Violation of or non-compliance with this policy may lead to disciplinary action according to Company regulations and/or legal action if illegal acts are committed.

Review and Improvement

- The Company will conduct regular reviews of the procurement process to ensure adherence to the policy.
- This policy will be reviewed and updated at least once a year or as needed to accommodate changing circumstances and laws.

This policy is effective from June 1, 2025.

TCM Corporation Public Company Limited

- Signed -

(Ms. Piyaporn Phanachet)
Chief Executive Officer

Appendices

A. Procurement Process Overview

1. Planning and Needs Assessment: The requesting department/unit identifies needs, prepares Terms of Reference (TOR), and estimates the budget.
2. Preparation of Purchase/Service Request: Prepare purchase/service request documents with necessary details.
3. Approval of Purchase/Service Request: The authorized person reviews and approves according to the specified budget limit.
4. Selection of Procurement Method: The procurement department selects the appropriate procurement method, e.g., price inquiry, bidding, special procurement, or direct purchase (in urgent cases or with a sole supplier).
5. Supplier Sourcing and Evaluation:
 - Announce invitation (if necessary).
 - Compile a list of potential suppliers/service providers.
 - Conduct preliminary qualification assessment of suppliers/service providers.
6. Submission of Proposals and Bid Opening:
 - Suppliers/service providers submit proposals according to specified conditions.
 - Open proposals according to transparent procedures.
7. Consideration and Selection of Supplier/Service Provider:
 - Evaluate proposals based on pre-defined criteria such as price, quality, experience, and payment terms.
 - Negotiate (if any).
 - Propose selection results to the authorized approver.
8. Approval of Purchase/Service Order: The authorized person considers and approves the purchase/service order.
9. Contracting: Prepare and sign a contract (if necessary), specifying clear terms and agreements.
10. Contract Management and Acceptance:
 - Monitor the supplier's/service provider's compliance with the contract.
 - Inspect and accept goods/services according to contract specifications.
11. Payment: Process payment to the supplier/service provider according to contract terms after proper acceptance.
12. Supplier/Service Provider Performance Evaluation: Evaluate the performance of suppliers/service providers for future procurement information.

B. Annual Supplier Evaluation and Approval

Suppliers of major raw materials, packaging, carpet installation equipment, domestically made-to-order spare parts, construction work, and projects valued at THB 200,000 or more will be evaluated at least once a year.

The evaluation results categorize suppliers into 3 groups:

- Group A or Approved: Suppliers who have passed the annual evaluation and can be contacted for purchases.
- Group U or Unapproved: Suppliers who have not passed the annual evaluation and cannot be contacted for purchases.
- Group I or Improvement: Suppliers who have passed the annual evaluation but require follow-up on certain improvement areas. They must complete a Corrective Action and Improvement Plan (IF-QA-025) and be re-evaluated within the year. They can still be contacted for purchases.

Verification of Goods/Services

Quality of Goods/Services:

1. QA inspection of goods - In case of a quality dispute, the goods' quality will be re-verified by a mutually trusted and accepted third-party laboratory, and the result will be conclusive.
2. Any changes related to or affecting the goods sold to the Company must be notified in writing and approved by the Company before the production of such goods.

Acknowledgment Form for "Procurement Code of Conduct"
Please sign, affix the company seal, and return to the Purchasing Department

I, (Authorized signatory as per company certificate)
Company Name:

have thoroughly studied the "Procurement Code of Conduct," understand the procurement policy/
Sourcing of TCM Corporation Public Company Limited, including the supplier sustainability guidelines, and
agree to comply.



Signature.....
(.....)
Position.....

Documents submitted herewith:

| <u>For Current Suppliers</u> | <u>For New Suppliers</u> |
|---|--|
| <ol style="list-style-type: none"> Letter of Commitment from Manufacturer/Supplier/Subcontractor (TLS) (Sample on page 8) Copies of various standard certificates, e.g., ISO, REACH, RoHS, GLP, Green Labelling, Carbon Footprint, etc. | <ol style="list-style-type: none"> A Letter of Commitment from the Manufacturer/Supplier/Subcontractor (TLS). Copies of various standard certificates, such as ISO, REACH, RoHS, GLP, Green Labelling, Carbon Footprint, etc. New Account Opening Form / Bank Transfer Payment Acceptance Form for Goods/Services. Willing to provide credit terms of days. A policy on energy use and energy conservation projects, raw material recycling, and Net Zero Emission policy (if applicable). |

Please add details and return them to the Purchasing Department.

** Sample letter to be issued on your company letterhead **

Supplier Letter of Commitment

The signatory must solely be an authorized representative of the company. Additionally, please submit a company certificate that is no older than 6 months.

Date.....Month.....Year.....

I,Position.....
Company

Hereby certify that the Company is willing and committed to the following:

1. Comply with labor laws and TLS 8001-2563 requirements pertinent to the company at an equivalent or superior standard.
2. Notify your establishment if the suppliers or subcontractors engage in business relationships with other suppliers or subcontractors.
3. Cooperate with your establishment in both announced and unannounced monitoring activities to verify compliance with legal requirements and TLS 8001-2563, as well as system activities, and will take immediate corrective and remedial actions upon finding any non-compliance.
4. The company will not employ anyone under the age of 15 as child labor.
5. The company acknowledges the goal of TCM Corporation Public Company Limited to achieve net-zero greenhouse gas emissions by 2050 and will cooperate in efforts to reduce greenhouse gas emissions for mutual sustainable goals.
6. The company acknowledges TCM Corporation Public Company Limited's signing of the Thai Private Sector Collective Action Against Corruption (CAC) and will cooperate and adhere to good practices in combating corruption.

This letter of certification is issued to TCM Corporation Public Company Limited, which is a contracting party with Company



Signature.....

(.....)

Position.....

Company (Contractor)

For New Suppliers Only
Bank Transfer Payment Registration Form for Goods/Services

Order Partner no.....

Date.....

I, Company/Partnership/Shop/Mr./Mrs./Ms.

wish to receive payment for goods/services via bank transfer to the following account:

Account Name Account Number

Account Type Bank Branch

I acknowledge and agree to comply with the payment regulations of TCM Corporation Public Company Limited and consent to the deduction of transfer fees as follows:

- **Beneficiary account at Bangkok Bank Public Company Limited:**
 - In Bangkok and vicinity: Fee of THB 8 per transaction.
 - In other provinces: Fee of THB 20 per transaction.
- **Beneficiary account at other commercial banks:**
 - Amount THB 1 - THB 2,000,000: Fee of THB 10 per transaction.
 - If the amount exceeds THB 2,000,000, the transfer must be divided into multiple transactions, and the fee will depend on the number of divided transactions at the rates above

Contact Person for Payment Matters Department/Division

Telephone Number E-Mail

And request the company to send the Withholding Tax Certificate to the address and phone number below:

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Signature.....

(.....)

Authorized Signatory/Director

Note: Please scan and send this form to the Purchasing Department and send the original form via EMS to Ms. Supansa (02-318-3960 ext. 564) along with the following documents:

1. Copy of the first page of the bank account passbook showing the account name and number, certified true copy, and company seal.
2. Copy of the company certificate, certified true copy, and company seal.
3. Copy of Por.Por.20 (VAT Registration), certified true copy, and company seal.

All documents should be sent to: **Ms. Supansa, Accounting Department, 5th Floor, TCM Corporation Public Company Limited, 2054 New Petchburi Road, Bangkok, Huaykwang, Bangkok 10310.**

Please carefully study the billing, payment, and fund transfer/cheque collection procedures for goods/services in the "Billing and Payment Policy" at https://www.tcm-corporation.com/upload/esgpolicy/fileth_250321083040.pdf

Electronic Document Acceptance Form

I, Company (in Thai)

Please mark ☒ and sign to indicate your acceptance of documents in electronic format.

- ☐ I agree to receive documents in electronic format via Email.
☐ I do **not** agree to receive documents in electronic format via Email.



Signature.....
(.....)
Authorized Signatory/Director

Please proceed as follows:

1. Fill in the details and indicate your preference for receiving documents in electronic format, then have the authorized signatory, as per the company certificate, sign.
2. Send all documents via email: gl01@royalthai.com, gl02@royalthai.com, and financetcm@royalthai.com or by registered mail to the address below.

Recipient: Accounting and Finance Department

Address: TCM Corporation Public Company Limited 2054 New Petchburi Road, Huaykwang District, Bangkapi Sub-district, Bangkok 10310

Tel.: 02-318-3960 ext. 566