



Procurement Regulations

Thai Wacoal Public Company Limited

Thai Wacoal Public Company Limited recognizes the importance of maintaining an adequate and appropriate internal control system that aligns with current operational conditions. This system helps prevent damage caused by errors or fraud. At the same time, the company places great importance on its business partners by treating each one fairly, based on principles of fair and transparent competition, to achieve sustainable growth together.

Therefore, the executive committee has established procurement regulations to serve as a guideline for all executives and employees in their work, as follows:

Section 1 Definitions

Company refers to	Thai Wacoal Public Company Limited.
Related persons refers to	individuals who have the power to control the company's decisions, such as directors, executives, and major shareholders. This also includes those closely related to these individuals, such as parents, spouses, children, or legal entities where these individuals are major shareholders or have control over the entity (as per the Capital Market Supervisory Board Announcement No. TorJor. 21/2551 on Criteria for Related Party Transactions).
Procurement refers to	the process of ordering or contracting with business partners to deliver any goods or services that the company requires and that are beneficial to the company. This process must be conducted in accordance with the relevant regulations.
Conflict of interest refers to	receiving benefits or disadvantages from the company's procurement process, whether directly or indirectly.



Purchaser refers to	an individual or department responsible for procurement and —price comparison according to the type of goods or services under their responsibility within their respective division.
Business partner refers to	sellers, contractors, service providers, or subcontractors.
Procurement ethics refers to	the appropriate guidelines for procurement practices.
Procurement policy refers to	the company's procurement regulations.

Section 2

Code of Conduct in Procurement

1. Cautions in Procurement

1. Perform duties with responsibility, care, honesty, and integrity by complying with laws company regulations, good corporate governance principles, and relevant announcements.
2. Protect the company's interests and eliminate any improper gains, whether directly or indirectly.
3. Handle conflicts of interest with caution and reason, prioritizing the company's benefit, and avoid providing benefits or special privileges to any individual.
4. Refrain from involvement in matters where one has a conflict of interest.
5. Respect others' intellectual property rights, avoiding infringement or using others' work for personal benefit unless permission is granted or compensation is provided to the owner.
6. Avoid any actions or support of activities that violate human rights.
7. Implement a selection system for business partners who operate legally, comply with safety and occupational health standards, and are environmentally friendly.



2. Fairness in the Procurement Process

1. Treat all business partners based on fair, transparent, equal, and impartial competition.
2. Do not intentionally specify the qualifications of any particular business partner or skew the requirements toward a specific product or service unless there is a necessary and sufficiently justified reason.
3. All business partners must receive the same details, information, and conditions in writing.
4. When inviting participants for price inquiries, price negotiations, or bidding processes, select business partners who are genuinely qualified, not just to meet the required number stipulated in the regulations, regardless of their ability to fulfill the obligations. This ensures the procurement process is of high quality and fair to both the company and other business partners.

3. Confidentiality

1. Before deciding on any business partner, any information that may affect the decision must be kept confidential and not disclosed to any unrelated individuals. Only those involved in the decision-making process may have access to such information.
2. Certain information related to business partners and procurement is considered confidential. Important information about one business partner should not be disclosed to other business partners or unrelated individuals, except in cases where disclosure is required by law.

4. Conduct Towards Business Partners

1. The regulations and procedures set by the company must be communicated to business partners, and they should be informed of any changes.
2. The inspection and acceptance of goods or services, as well as the payment process, should be carried out carefully, thoroughly, and fairly to business partners.



5. Entertaining and Receiving or Giving Gifts

1. Do not accept or give gifts, gratuities, or entertainment that may influence decision-making in any way. If it is necessary to accept or give gifts, gratuities, or entertainment according to customs with an unusually high value, report to the supervisor accordingly.
2. Do not engage in any actions that involve soliciting or accepting assets or other benefits for oneself or others that may induce improper conduct or omissions of duty or potentially harm the company's legitimate interests
3. Avoid forming close relationships with any particular business partner that might lead others to believe there is unfairness. This is especially important to prevent misunderstandings among other business partners and to protect the company's image.
4. Purchasers must communicate the policies and criteria regarding the value of gifts, entertainment expenses, and other costs to business partners.

Section 3 Procurement Policy

1. Procurement Methods

The company aims to conduct procurement activities correctly according to principles to ensure transparency, accountability, and adherence to standards. Business partners should be treated equally. Purchasers can choose appropriate methods based on the value of goods or services, which may vary depending on the type of goods or services, technical requirements, time frame, and other factors considered by each department's practices.

The procurement methods of the company can be divided into 4 methods

1.1 Quotation Method

Quotation procurement is a method that fosters fair competition and cost-effectiveness. It necessitates a thorough process of selecting and evaluating suppliers' capabilities. Therefore, there must be written quotations from at least 3 suppliers. Selected suppliers must possess knowledge, techniques, and capabilities in product manufacturing or service provision.



1.2 Price Negotiation Method

The price negotiation procurement method is employed when using the quotation method is impractical and the budget is less than or equal to 10,000 baht. Written quotations from suppliers are required. In cases where obtaining written quotations is not feasible, a verbal summary of price proposals from each supplier or price comparisons from product listings (Catalogue) can be utilized. However, verbal price offers must be documented either in writing or electronically (via email) for proper record-keeping.

1.3 Price Competition Method

Job Description: Construction, Building Renovation, Location: Service

The competitive bidding method provides an opportunity for all interested parties to submit price proposals in response to the invitation to bid, which must be widely announced.

In the bidding process, the buyer is responsible for the following

1. Specifying the type, details of the items (Specifications), budget, and clear purchasing conditions, along with a thorough evaluation of the capabilities and reliability of the suppliers.
2. Establishing the bidding schedule, with planning and consultation with the authorities of the purchasing department and relevant stakeholders.
3. Establish a bidding committee comprising at least 3 members from each department as follows:

- Management representative
- Procurement officer from the buyer's department
- Representative from the finance and accounting department
- Representative from other relevant departments as deemed appropriate.

4. Ensure that the bid envelopes are officially opened simultaneously on the same day and time. In cases of unforeseen circumstances, postpone the bid opening to the next immediate working day to maintain transparency in the bidding process and manage bid information appropriately.



5. The bidding evaluation aims to gather, compare, and assess all necessary data to determine the best offer. The evaluation process commences immediately after the bid opening. Subsequently, the bidding committee will evaluate and provide recommendations for consideration by the management committee in the subsequent bidding decisions.

1.4 Special Procurement Methods

Special procurement involves the procurement of goods or services with the following characteristics:

1. Urgent work that, if delayed, could result in damage.
2. Work that has been previously contracted through other methods without satisfactory results.
3. Work with specialized or few expert suppliers (1-2 suppliers).

In this regard, the approved budget should adhere to provision 1 of the Regulations on Authorization for Payment and Procurement of the Management Committee. If the budget exceeds this, approval or consent must be obtained from the management committee.

2. Evaluation of Suppliers Before and After Delivery of Goods or Services

The buyer must evaluate suppliers to assess performance and facilitate pre- and post-procurement considerations. Factors considered include quality, defective product rates, safety, delivery, service, and relevant standards such as Corporate Social Responsibility (CSR), safety standards, environmental management standards, etc.

3. Supplier Registration

After the buyer evaluates the supplier post-receipt of goods or services, a complete supplier registration must be prepared for verification purposes.

4. Related Documents

The buyer is responsible for retaining all documents related to procurement for at least three years.



5. Decision-Making Authority

1. Individuals with decision-making authority must not have a vested interest in procurement and contracting.
2. Approval signatures related to naming and contracting must comply with the signing regulations in expenditure and procurement documents, as well as the regulations delegating authority to sign payment and procurement orders of the company.
3. In cases where the procurement and contracting budget exceeds the decision-making authority of any individual as outlined in the signing regulations for payment and procurement orders of the management board, the matter should be brought to the attention of the board for consideration, except for raw material and finished product purchases.
4. In cases of procurement and contracting involving related parties not conducted as part of the company's regular business operations, the matter should be brought to the attention of the management board.
5. If a supplier cannot fulfill the terms and conditions of the trade agreement, the commanding officer should be informed immediately for consultation and finding a way forward.
6. If there are doubts about compliance with the procurement regulations, the matter should be consulted with the commanding officer in sequence.

These procurement regulations were approved at the management board meeting No. 2567 on December 12, 2557, and have been effective since January 1, 2558.

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