

ZEN Corporation Group Public Company Limited

(Translation)

Procurement Management Policy

Purchasing Policy

Core Policies

ZEN Corporation Group Co., Ltd. (Public) and subsidiaries The Company recognizes the importance of good corporate management and that procurement is an important process that affects business growth. Therefore, the Company has established a procurement management policy (Purchasing Policy) To ensure that the operation is accurate, transparent, and auditable at all stages, which will bring sustainable and fair benefits to both the Company and all stakeholders as follows:

1. The Company strictly complies with the laws and regulations of society in conducting the selection vendor/ Partners (Supplier) products and services under the management principles in 3 dimensions which are "Equality, transparency, transparency and value for money" by taking into account the mutual interests as well as the benefits that will be brought to society.
2. Provide fair business opportunities to business partners.
3. Conducting the procurement process on the basis of mutual trust.
4. The company will select its partners based on
 - (1) Comply with laws and ethical standards of society and pay attention to human rights and the environment.
 - (2) To be a business partner who delivers products and services to the Company with integrity.
 - (3) Good and stable business conditions.
 - (4) He has never had a history of quality problems, prices, delivery schedules with other companies, and has never had a history of abandonment of work or breach of agreement with the Company under any circumstances.
 - (5) Able to deliver products and services consistently and respond to changes in demand and sponsor flexibly.
 - (6) Have technological capabilities that are beneficial to the company, both now and in the future.
 - (7) In case of an unexpected disaster It can also deliver products and services continuously.
 - (8) The Company is committed to anti-corruption and wants suppliers to
All employees of the Company must acknowledge the Company's anti-corruption policy and must demonstrate their best efforts to be evident in all forms of anti-corruption.
 - (9) The Company is committed and attaches great importance to building strategic partners for sustainable growth at the same time.

1. Definition

1.1 Company	Means	Zen Corporation Group Public Company Limited, and Subsidiaries (excluding Zen & Gosum Inter Foods Co., Ltd. and King Marine Foods Co., Ltd.)
1.2 Vendor/Partners (Supplier)	Means	The seller and delivery of the product. services, assets, or Requirements for the company
1.3 Order Request Agency (User)	Means	The person who makes the purchase request and/or The consumer agency to request to purchase.
1.4 Purchasing Agency (Purchasing)	Means	The person who performs the purchase. procurement or procurement of goods or Customized service. Ordering Agency (User)
1.5 Product Research and Development Unit (R&D)	Means	The person who conducts the experiment, testing the standards of food products, security-related services or activities In terms of food, it must meet the needs of the agency request Order However, the above classification is not include. other agencies that carry out similar activities but do not participate in the related to food products and services
1.6 Purchase Request Document (Purchase Requisition or PR)	Means	A document showing the need and necessity for the purchase. This may be designated as a standard form or record , or letter must specify the details and requirements of the ordering agency (User), which must be signed or approved by the person with the approval authority as specified. (Level of Authorization). This must be significant enough to process the procurement of suppliers.
1.7 Purchase Order Document (Purchasing Order or PO)	Means	A document confirming the purchase between the Company and its suppliers by specified details of products or services, prices, and related expenses and other conditions as agreed before purchase. This must be signed by the authorized person as specified in the authority (Level of Authorization)

1.8	Promise	Means	A procurement contract, purchase contract, employment contract, and/or installation contracts, which do not include labor contracts, consultant contract or any other contract that is binding on Labouré legislation
1.9	Procurement Committee	Means	A group of persons appointed to jointly consider to carry out one of the actions under the Procurement Policy in accordance with the authority and duties and responsible for approval by the Board of Directors , or as determined by the Board of Directors
1.10	Operating Methodology (Standard Operating Procedure: SOP)	Means	A document that explains the procedure, operation method, process plan, functionality, details and related documents This is the standard of practice that is determined within the organization to ensure that the operation has the same standard. The SOP must be require compliance with the Approval Authority (LOA)
1.11	Level of Authorization (LOA)	Means	A document specifying the authority to approve expenditures or the authority to conduct transactions of executives at each level, which is approved by the Board of Directors or as determined by the Board of Directors.
1.12	Affiliated Agencies	Means	The agency that is the purchaser or the agency related to the product. and services directly. For example, in the case of construction. the new branches include the Project Management and Business Development Group.

2. Procurement Committee

- 2.1 The Procurement Committee will control, supervise, and make decisions about the procurement process. This shall be in accordance with the duties, powers, and regulations specified in the procurement policy of the company received approval by the Board of Directors

The Procurement Committee consists of Chairman of the Procurement Committee

and 4 members of the Procurement Committee, which must be appointed by the Chief Executive Officer and the Procurement Committee is responsible for appointing the Secretary of the Committee by selecting from among the employees who have appropriate qualifications to take minutes of meetings and assist with tasks related to Procurement Committee

- 2.1.1 Procurement under this policy means the procurement of the Supply Chain Management Group. Project management of the project management department or any other work such as marketing, technology shall be under the consideration of the Procurement Committee and shall be carried out in accordance with the Operating Procedures for that matter.
- 2.1.2 At each meeting, the Procurement Committee may invite any person who has expertise or expertise to participate in the meeting to give opinions for the benefit of the company as needed.
- 2.1.3 In case of necessity, the Procurement Committee may propose the appointment of a sub-committee or working groups to consider and/or take action in the matter that is on duty and responsibilities of the procurement committee as deem appropriate. However, it must not be approved on behalf of the Procurement Committee by request approval and sign the appointment to the Chief Executive Officer.
- 2.1.4 The meeting must be attended by not less than half of the total number of committee members. The resolution of the committee requires a majority vote. Let the committee chair and each director People have one voice. The Committee's member must disclose their relationships and/or having a interest in the matter at the meeting. The conflict of Interested member do not have the right to vote at the meeting and must not attend the meeting on that agenda.
- The secretary does not have the right to vote.
 - If the votes are equal, the Chairman of the Committee at the meeting shall make the decision.

- In voting, in the event that any members have different opinions, that member can dissenting opinions in the meeting minutes.

2.1.5 The person assigned to act as a representative of the committee members in the Procurement Committee shall be in accordance with as determined by the Chief Executive Officer and must be assigned to act as a representative in written

2.1.6 In the event that the position of Chairman of the Committee of the meeting is vacant and/or unable to perform his duties. The remaining members shall elect one of the members to act as the chairman of the committee instead temporarily, as determined by the Chief Executive Officer.

2.1.7 In the event that the department does not have a person as a committee member in the specified position, the Chief Executive Officer shall appoint a person to be a replacement member.

2.1.8 The summary report of the Procurement Committee meeting shall be report to the Executive Committee in every 6 month and the attendance of directors in the Procurement Committee shall also be reported.

2.2 Duties of the Procurement Committee

2.2.1 Consider formulating policies, strategies, and goals, procedures for selection, appointment, removal, registration of vendors/Partners (Supplier) Strategic with potential in line with requirements according to the scope of work set out under the Transparent and fair to all parties and can be checked.

2.2.2 Consider and determine the procedures and criteria related to procurement, procurement planning, hiring, including procurement methods, whether procurement by negotiating prices, price examination method, bidding method. For the bidding method to include:

- Determination of Tender Procedures and Details of bidding
- Criteria for judging the winner of the tender
- Control the tender process.
- Receiving Quotation Envelopes, Opening Quotation Envelopes
- Auditing of Qualification Verification of Quotations
- Consideration of the selection of winners who have prices, quality and qualifications that are the most beneficial to the company.

- 2.2.3 Consider determining the procedure, rules on procurement by special method
- 2.2.4 Consider determining the procedure, guidelines and procedures for receiving goods and services be possible according to the quality and conditions agreed in the procurement.
- 2.2.5 Consider and determine any other necessary and appropriate criteria regarding procurement for the benefit of the business.
- 2.2.6 The Procurement Committee shall hold a meeting at least once every two months.

3. Procurement Authority

Procurement Approval Authority: The terms and conditions shall be in accordance with the Level of Authorization (LOA), which prohibits the division of procurement by reducing the amount to be purchased or hired at one time so that the limit is lower than the prescribed amount, and the approval authority is strictly changed, except for the division of goods or raw materials that are perishable, or the condition that the entire amount cannot be purchased or hired at once.

4. Procurement Terms and Conditions

4.1 Procurement Planning

- 4.1.1 Supply Chain Management Group and the project management department surveys needs and information of annual purchase of main products and services of every department To know purchasing needs, hiring to provide information for preparing the annual plan.
- 4.1.2 The Supply Chain Management Group and the Project Management Department shall prepare an annual plan , including the determination of amount, quantity, price, budget (only in the part assigned to prepare the budget) in order to ensure that procurement is effective.
- 4.1.3 The Supply Chain Management Group and the Project Management Department shall review the procurement plan with various agencies every 6 months.

4.2 Procurement Type

4.2.1 How to negotiate a price

Terms & Conditions

- 4.2.1.1 Product/ General services at one-time procurement, the value is not more than 100,000 baht. In case it is a new product, there is a price comparison at least 3 cases.

4.2.2 The examine price method

Terms & Conditions

- 4.2.2.1 In the case of procurement of goods/services not exceeding 2 Million Baht per time (Includes VAT and all acquisition costs of goods and services such as transportation costs, insurance, commission).
- 4.2.2.2 There must be a price comparison from the seller/partner (Supplier) at least 3 suppliers.

4.2.3 Tender method

Shall be used for the procurement of goods or services as follows:

- 4.2.3.1 Procurement of goods or services that are sold by the condition of the goods and services and many suppliers can open bids, or
- 4.2.3.2 Procurement carried out by the project management department shall carry out the procurement by tender. The Procurement Committee can consider unit rate bidding or other operations as appropriate and necessary for the Company's business.

The project management department will be responsible for selecting suppliers, perform auction in the relevant part. For other steps such as the issuance of purchase order documents (PO) and others shall be in accordance with the prescribed procurement procedures.

Terms & Conditions

- A. In the tender, there shall be no less than 3 bidders according to the procurement guidelines and methods specified. In the bidding, if specified by the Procurement Committee,
TOR (Term of Reference) must be prepared to have important information such as scope of work, qualifications of the contractor/seller, what the employer want to process, duration, various conditions, etc.
- B. The Procurement Committee shall open the quotation envelope.
Except for the Procurement Committee will be appointed
open the envelope committee to open envelope. In the case of appointment the committee opened the envelope, the committee to open the envelope consisting of referee not less than 4 people, namely:

Representatives of the Accounting and Finance Group

- Representative of the Administrative Office Group
- Representatives of the department requesting procurement
- Representatives of the procurement department

The representative of the department that is the Envelope Opening Committee must be an employee as determined by the Chief Executive Officer.

C. In the tender is for the best interests of the company.

The Procurement Committee shall have the authority to consider and select valid bidders in accordance with the conditions in the tender documents by selecting quality bidders that are set as standard ratings include the central pricing every time to be used to compare bidder participants and select bidders.

The best and useful features that offer the lowest prices.

The Procurement Committee has the power to bargain prices. Procurement may consider selecting alternate bidders or low bidders or another bidder if it is considered that the proposer the lowest price may bring the company's business risks. The reasons for such action shall be clarified.

The bid negotiation shall be carried out after the auction winner is selected.

D. The Procurement Committee has the power to cancel the tender in all cases, not limited to the case where there are not all bidders 3 suppliers or there are several bidders but with specified details and conditions less than 3 bidders or the winner of the bid does not enter into the contract according to the conditions and the specified time.

E. In case there is a tender but there is a necessary reason for that it cannot be considered the tender results for any reason and the new price may result in damage to the company. Procurement Committee proposes to procure by special means under the Conditions for procurement by special means are determined, with the reasons for being specified the need to do so in the resolution of the meeting.

F. In receiving the tender envelopes, the Procurement Committee shall prescribe methods and procedures for receiving contest envelopes,

which may be set any department to be responsible for or provide a kiosk to receive tender envelopes or other means. The Procurement Committee may consider and determine the criteria as appropriate.

4.2.4 Special methods are divided into 2 cases

Case 1 is a case of procurement of goods, types of food or goods, or Other materials and equipment that are specific cannot be purchased by other means. It is a product with the following qualifications:

- A. It is a rare product.
- B. It is a product whose price changes rapidly.
- C. It is a product whose formula has been developed specifically for each seller. The formula is formulated production to have a specific flavor that the requesting department buys and/or from the product research and development (R&D) department has gone through the testing process quality from relevant department. The change of vendor or manufacturer will affect the changing taste.
- D. Imported products from abroad
- E. It is a product that has been qualified by specifying the brand from the applicant department and/or from product research and
- F. Development (R&D) agencies to provide flavors/smell, or specific properties desired.

Terms & Conditions

The Products that will use the specific method must be products that can be purchased by the Procurement Committee consider procurement using specific methods only and there are sellers/partners in list of names approved by the Procurement Committee. The seller/partner (Supplier) has been registered for the procurement process. However, in the procurement process, proceed according to the method, criteria and conditions set by the Purchasing Committee.

Case 2 is a procurement case, including the following cases:

- A. It is the purchase of goods from auction or land, buildings that necessarily to buy, rent, lease, purchase in specific location.
- B. It is a product/service that cannot be purchased by other means, or There are fewer benefits to the company than this special method.
- C. Repair work that the service provider appraisal must carry out or

come in and take action first.

- D. In urgent cases where other procurement methods cannot be used in time to prevent damage to the company.

Terms & Conditions

- Procurement by special means shall be approved by the Chief Executive Officer. The limit of procurement by special means is not more than 10 million baht. If the limit is exceeded, it shall be presented for approval of Executive Committee.

The Chief Executive Officer shall appoint a committee in at least 2 members of the Procurement Committee shall act as the Procurement Committee by special means in the second case.

In addition, in the implementation of procurement according to the above method, in the operation of the Procurement Committee and/or the Chief Executive Officer may set conditions or Guidelines for using a stricter method can be used if it is considered that it will be more beneficial to the company.

4.3 Receipt of goods and services

4.3.1 Acceptance of goods and services or projects with a value of not less than 10 Million Baht

- The Procurement Committee shall appoint an Acceptance Committee according to its characteristics of products and services, such as construction work, procurement of goods or raw materials. The setting of acceptance shall be appropriate according to the type.
- to inspect the goods and services at the place specified in the contract.
- Prepare a signed receipt document and make at least two copies as evidence by giving 1 copy to the supplier or contractor and the department that requests to purchase 1 copy.

The department requesting to purchase must submit the signed documents to the department responsible for the admission of the system to proceed with the disbursement process the actions. In this regard, various operations must be as specified in the employment contract.

- Inspection of work that is assembled as a set or as a unit If there is a lack of components, either is completely unusable as a counterparty, or the

contractor who has not yet delivered the work must
notify the supplier or contractor within the 5 working days from the date of
detection

- In the vote to accept, the resolution must be unanimous only. If any
committee member see otherwise, they must make a dissenting
opinion and present it to the Chief Executive to consider and approve one
of the next actions.

4.3.2 Acceptance of goods or projects of lower value of 10 Million Baht

- The inspection shall be the responsibility of the department requesting the
purchase including Agent/ Contractor under Outsourcing Contract. The
product or service must be fully inspected according to the quantity and
quality that in the case of inspection of raw materials or products with
special characteristics. It must be inspected according to the weight, size,
expiration or characteristics of the product specifically.
- Procurement is a project work of the Project Management Department,
and the payment is made in installments by setting up a working group
consisting of: Requesting department and persons who are skilled or
related to the product. The working group must be officials as specified by
the Chief Officer administered by performing the same duties as the
inspection in Section 4.3.1.

5. Other Conditions for Procurement/Hiring

5.1 Procurement under this policy does not include:

- 5.1.1 Recruitment and consideration of the remuneration of the Company's auditors,
which must be appointed by the General Meeting of Shareholders Inspection
and/or similar tasks. This is to hire an external agency to carry out the operation.
The audit committee will determines the recruitment method and is the operator.
- 5.1.2 Personnel hiring work and/or work related to certain types of employee welfare, such
as providing accommodation employee group insurance (such as health insurance)
training, seminars and catering related to employees are for the Human Resources
Group to be responsible for consider taking action.
- 5.1.3 Legal consultancy or any other work of the same nature, the Chief Executive Officer
shall determines and/or assigns procurement to one of the department to carry out
the recruitment and remuneration process only.

- 5.2 Other procurement in accordance with the resolution of the Board of Directors or the Executive Committee within the scope of assigned by the Board of Directors
- 5.3 The procedures and details of all procedures for performing all work under this policy shall be as stipulated in the Operating Procedure.
- 5.4 Supplier Audits and Evaluations, the company must provide a process for auditing and evaluating suppliers. It is prepared as an annual action plan in accordance with the procedures set forth in the procedure Operate by taking into account the quality, quantity, safety in production and delivery of products, and services from suppliers, including minimum requirements under labor laws, environmental law standards, quality management and other relevant laws/regulations. The procurement department shall prepare an audit report or prepare a report monitoring and evaluating suppliers and reporting the order volume of each supplier propose to the Procurement Committee at least once a year for considering the appropriateness of procurement in the past year, as well as the preparation of other reports as the Procurement Committee determines.

In the event that the evaluation results do not meet the specified criteria, the Procurement Committee shall consider and approve the revocation of the seller/partner or consider other actions as appropriate.

5.5 **Contract Preparation**

In procurement with a value ranging from 500,000.00 and/or the type of work that the operation period is 1 year or more, and the contract must be prepared with various conditions that has been agreed with the business partner in full. The contract must be approved by the legal department before propose to the authorized directors who may sign the contract.

In the case of procurement with lower than 500,000.00 which did not make a contract. There must be other documents complete with the essence as if a contract has been made. The legal department used other documents instead of contracts.

This does not cover contracts of project management, lease agreements, service contracts, consultancy contract or similar contract. A contract must be prepared in all cases.

The Procurement Committee shall have the authority to determine the preparation of contracts, change the limit for the preparation of the contract or take any other appropriate action under the condition that there must be an opinion of the legal department and the Company must have complete legal rights as if the Company had entered into a contract with that business partner or party in all respects.

- 5.6 Managing Partner Relationships Employees performing duties related to procurement must practice the following practices:

- 5.6.1 Must perform their duties to maintain the best interests of the company and comply with the requirements including compliance with the company's policies, measures, and charters strictly.
- 5.6.2 In contact with partners the company does not allow employees to operate. as follows:
- Agree to enter into any business contracts beyond the scope of responsibility regardless of the capacity in which it is operated.
 - Negotiate a contract on behalf of the company in which the employee will receive benefits.
 - Receive benefit from customers
 - Use the Company's business opportunities for the benefit of themselves and others.
- 5.6.3 Employees involved in procurement and members of the Procurement Committee must disclose the relationship and no interest with the business partner to his/her superiors. However, if any, in any case, the person shall withdraw from performing his or her duties in the process.
- 5.7 Independence in Procurement, stakeholders in the procurement process must practice as follows:
- 5.7.1 Do not take any action or activity in connection with the request for support, or received supported from partners, which if any, must be consistent and in accordance with the Code of Conduct or the company's charter or policy. It shall be at the discretion of the Chief Executive Officer in considering and approving.
- However, Employee performance related to the procurement process that lack independence to cause damage to the company or employees receive benefits, the employee may be investigated and punished according to the company's regulations.
- 5.7.2 Travel to the business premises of business partners and/or any other places related to the supplier must comply with the objectives and/or procedures of the procurement for the benefit of the company only.
- 5.8 Customer Complaint Management
- 5.8.1 All procurement stakeholders must pay attention to the complaints of customers fast and effective to make partner having trust, and impressed for action operate in accordance with the Company's corporate governance guidelines.

- 5.8.2 Must provide the details of reporting channels, clues, or complaints to the business partner as clearly stated in the Company's Anti-Corruption Policy.
- 5.8.3 To ensure that joint business operations between the Company and its partners are based on trust and each other be sincere with each other and seek mutually beneficial cooperation.

The Company will arrange a meeting between the Company's top management and business partners at least once a year.

6. Penalties

- 6.1 In case the Company's employees violate this policy, they may be subject to disciplinary action according to the rules and Company Articles of Association and may be subject to legal offenses, rules and any other requirements or related regulations.
- 6.2 In case the supplier fails to comply with the contract and the agreement stipulated in writing, or even if it is not in writing, which causes damage to the company, it will be revoked, or Blacklist or take any other action as appropriate by having the procurement committee be the person who considers and approves exemptions from legal proceedings the Procurement Committee propose opinions to the Chief Executive Officer for approval.

The cancellation and revocation of the Black List of suppliers In all cases, for any reason, it must be presented to the Procurement Committee for consideration and approval.

7. other

- 7.1 In the event that any rule and/or provision of this Policy is not specified and not cover in any case, it shall be at the discretion of the Chief Executive Officer in considering for taking action.
- 7.2 Any prior policies or guidelines existed that has conflicts with this policy shall be cancelled and to be adhered to this policy.

This policy is effective from May 12, 2023 with the approval of the The Board of Directors at the Meeting no. 4th/2023

Mr. Paitoon Taveebhol
Chairman of the Board of Directors