



ANTI-MONEY LAUNDERING POLICY AND GUIDELINES



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Anti-Money Laundering Policy and Guidelines

1. Intent of Policy

Charoen Pokphand Group is fully committed to protecting itself from being used as an intermediary in the money laundering process and funding illegal business practices, both of which can seriously damage Charoen Pokphand Group and its reputation.

2. Objective of Policy

- 2.1 For directors, management, staff, customers and related parties to understand issues related to money laundering, in compliance with this policy.
- 2.2 To ensure that operations and transactions are in line with international standards regarding anti-money laundering.
- 2.3 To provide guidance for management regarding risks that might occur from money laundering through Charoen Pokphand Group's business channels.

3. Definitions

- 3.1 **Money Laundering** is the process of creating the appearance that large amounts of money obtained from criminal activity originated from a legitimate source.
- 3.2 A **Transaction** is an activity related to an entry into a juristic act, a contract or the execution of any act with others in financial or commercial matters, or the operation in connection with assets.
- 3.3 A **Suspicious Transaction** is a transaction with reasonable grounds to believe that it is related to a money laundering offense or possibly connected with the commission of a predicate offense.

4. Roles and Responsibilities

4.1 Board of Directors

Ensure that the Anti-Money Laundering Policy and Guidelines ("Policy and Guidelines") are in place.

4.2 Management

- 4.2.1 Communicate Policy and Guidelines to employees and all related departments to ensure correct practice.



4.2.2 Ensure there is an organizational structure and responsibility in place, including the responsible department/person, to oversee, monitor and review operations consistent with the Policy and Guidelines, rules, regulations and related laws.

4.2.3 Monitor the implementation to ensure compliance of policy, guidelines, regulations, and reporting of company performance.

4.3 Staff

4.3.1 Perform customer risk management and verify customers' identities in accordance with this policy.

4.3.2 Retaining customer due diligence records and other documents related to financial transactions.

4.4 Internal Audit Department

Regularly audit transactions based on customer risk.

5. Guidelines

5.1 Customer Risk Management

5.1.1 Assess and prioritize customer risk, as well as retain customer information and supporting documents accordingly. For example, customers with the politically exposed person status ("PEPs") are classified as having a high risk.

5.1.2 Implement the Know Your Customer ("KYC") and Customer Due Diligence ("CDD") processes according to their risk profile:

- For low-risk customers: allow the use of Simplified Due Diligence; using customer identification as initially provided without the need to request for additional information.
- For high-risk customers: consider the use of Enhanced Due Diligence; by requesting for additional information for verification, i.e. utility payments, as well as determining the intensity of transaction monitoring.

5.1.3 Continuously perform and update Customer Risk Management, from the approval of transactions until the end of business relations.

5.1.4 Depending on their risk appetite, each company should consider modifying their own Customer Risk Management procedures as appropriate.



5.2 Know Your Customer (KYC)

- 5.2.1 Employees must have customers (whether they are natural or juristic persons) provide their information and supporting documents prior to completing transactions, as per AMLO or other local anti-money laundering authorities' requirements.
- 5.2.2 Employees must have customers (whether they are natural or juristic persons) specify the ultimate beneficial owner and ultimate controlling person.

5.3 Customer Due Diligence (CDD)

- 5.3.1 Verify customer due diligence to confirm their legitimacy using credible sources such as government agencies or other trusted organizations.
- 5.3.2 Thoroughly inspect the sources of the customer's assets and funds before opening up a bank account or conducting transactions, in accordance with international standards, such as sources of funds used in transactions that may be involved with PEPs.
- 5.3.3 In the event of having to complete transactions with high risk customers, staff are required to report to the management for approval and report to the Executive Board/Board of Directors for acknowledgement.
- 5.3.4 Review and revise customer information annually, as well as when there are noticeable changes in transactions, suspicions of money laundering, doubts about customer identification or the ultimate beneficial owner.

5.4 Retention of Customer Information

- 5.4.1 Retain information related to customer identification for a period of five years, starting from the date the customer account is closed or from the end of business relations.
- 5.4.2 Retain financial transactions or records for a period of five years from the transaction date or when recording of facts occurred.
- 5.4.3 Retain customer due diligence records (i.e. customer's other sources of income, spousal information, business profile) for a period of ten years, starting from the date the customer accounts was closed or from the end of business relations.

In addition, retention of customer information should follow local anti-money laundering laws.



5.5 Reporting

5.5.1 For companies based in Thailand

Companies with business natures according to Section 16 of the Anti-Money Laundering Act B.E. 2542 (please see Appendix I for more information) shall report their business activities to AMLO.

5.5.2 For companies based overseas

Transaction reporting should follow local anti-money laundering laws.

6. Training

Charoen Pokphand Group shall provide training related to the Anti-Money Laundering Policy in the Code of Conduct training curriculum for management and staff.

7. Related Policies

7.1 Whistleblowing Policy and Guidelines

7.2 Anti-Bribery and Anti-Corruption Policy and Guidelines

8. Laws and Regulations in Relation to This Policy

8.1 Anti-Money Laundering Act B.E. 2542 (Thailand)

8.2 Anti-Money Laundering Acts in each country where Charoen Pokphand Group is based

9. Review of Policy

The Corporate Governance Department, Compliance Department of the Sustainability, Good Governance and Corporate Communications Office; the Internal Audit department and Compliance department shall review this policy at least once annually.



Appendix: Businesses with Obligation to Report to AMLO (Thailand)

1. Juristic persons carrying on such other businesses related to finance, as defined in Ministerial Regulation B.E. 2543 issued under the provisions of the Anti-Money Laundering Act B.E. 2542
 - (1) *Ad hoc* juristic persons under the law governing *ad hoc* juristic persons for securitization of assets
 - (2) Juristic persons permitted to operate the business relating to the foreign currency payment factors under the law governing currency exchange control
 - (3) Financial institution asset management corporations under the law governing financial institution asset management corporations
 - (4) Asset management companies under the law governing asset management companies
 - (5) Juristic persons engaging in futures contract business under the law governing futures contract business
 - (6) Juristic persons engaging in futures trade under the law governing futures contract business
2. Other Professions, as defined in Section 16 of the Anti-Money Laundering Act B.E. 2542
 - (1) Professions that undertake provision of advice or being an advisor in transactions relating to the investment or movement of funds, under the law governing securities and stock exchange, and that are not a financial institution under Section 13.
 - (2) Professions relating to trading of precious stones, diamonds, gems, gold, or ornaments decorated with precious stones, diamonds, gems, or gold. (only applies to Juristic persons)
 - (3) Professions relating to trading or hire-purchase of cars. (only applies to Juristic persons)
 - (4) Professions acting as a broker or an agent in buying or selling immovable property. (only applies to Juristic persons)
 - (5) Professions relating to trading of antiques under the law governing selling by auction and trading of antiques. (only applies to Juristic persons)
 - (6) Professions relating to personal loan under supervision for businesses that are not a financial institution under the Ministry of Finance Notification



relating to Personal Loan Businesses under Supervision or under the law governing financial institution business.

- (7) Professions relating to electronic money card that are not a financial institution under the Ministry of Finance Notification relating to electronic money card or under the law governing financial institution business.
- (8) Professions relating to credit card that are not a financial institution under the Ministry of Finance Notification relating to credit card or under the law governing financial institution business.
- (9) Professions relating to electronic payment under the law governing the supervision of electronic payment service business.
- (10) Professions conducting a financial business under the law on exchange control which is not a financial institution and poses a risk, according to risk assessment, of being abused for money laundering or terrorism financing, as prescribed by the Ministerial Regulation.