



Corporate Governance Policy
Charoen Pokphand Group Co., Ltd.



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Corporate Governance Policy

Charoen Pokphand Group Co., Ltd.

Charoen Pokphand Group Co., Ltd. (hereafter referred to as the “Company”) is committed to doing business by adhering to corporate governance principles, integrity, and ethical values while also accounting for the interests of all stakeholder groups, all of which are fundamental in contributing to sustainable business growth that benefits the Company, the environment, and society.

With these factors in mind, the Board of Directors has established this Corporate Governance Policy that adheres to both locally and internationally-accepted corporate governance standards in addition to the Article of Association to serve as an operating framework for the Company’s directors, management, and staff to comply in the following 5 sections: The Rights and Equitable Treatment of Shareholders; Responsibility to Stakeholders; Disclosure and Transparency; Board Responsibilities; and Integrity, Honesty, and Ethics. The Corporate Governance Policy shall be reviewed and updated annually in line with further developments in corporate governance.

1. The Rights and Equitable Treatment of Shareholders

1.1 Securing the Rights and Equal Treatment of Shareholders

The Company realizes the fundamental rights of shareholders and fairly treats its shareholders equally. In this regard, the Company is committed to facilitating the exercise of shareholders’ rights, including the right to purchase, sell and transfer shares; the right to obtain adequate information for decision-making through appropriate channels on a timely basis; the right to participate in shareholder meetings to exercise their voting rights; the right to nominate, appoint or remove directors; and the right to appoint and agree on the compensation of external auditors.

1.2 Shareholding Structure

The shareholding structure is determined based on promoting the strengths between companies. Each shareholding structure is carefully considered to ensure compliance with



local laws and regulations, with clear segregation of management control between parties to ensure commercial transparency and long-term value for shareholders.

1.3 Related-Party Transactions

The Company has processes to monitor related party transactions in ensuring that their prices and conditions are agreed on an arm's length basis in accordance with corporate governance principles, in addition to being reviewed through audit processes to ensure transparent and fair conduct.

1.4 Shareholder Returns

All Company investments are intended to generate appropriate returns to its shareholders. The returns shall be paid through dividends taken from retained earnings, and shall not be declared if the Company is experiencing an accumulated loss.

2. Responsibility to Stakeholders

To ensure the sustainability of the Company's business operations while upholding the principles of fair treatment for all stakeholder groups, the Company shall timely respond with its stakeholders fairly and transparently, as well as taking into account the interests of stakeholders at heart and maintaining open channels for stakeholder groups to communicate their opinions.

2.1 Employees

As employees are an essential component to sustainable growth, the Company places great importance on treating all employees with fairness and respect by ensuring their access to fair compensation; unbiased performance evaluations; opportunities to develop their potential, skills, and knowledge on a regular basis; a clean and safe work environment as well as securing the confidentiality and preventing improper use of their personal information.

2.2 Customers and Consumers

The company commits to maintaining and fostering long-term relationships with customers and consumers, the Company aims to secure customer satisfaction by delivering only quality products and services that meet their needs; applying high safety and quality standards to the selection of raw materials; providing adequate and correct information on our processes



and products; using clearly-labeled packaging and terms of services; safeguarding the confidentiality of their personal information.

2.3 Farmers

Ensure that contract farmers are treated fairly by providing distribution channels to sell their produce and supporting farmers with knowledge and innovative solutions to sustain their operations.

2.4 Business partners

Treat business partners with integrity and honesty, in addition to respecting fair competition principles by following the trade terms of the agreement made between both parties.

2.5 Communities and Societies

Operate responsibly to build and maintain trust with communities and societies by considering their safety and quality of life. This creates shared values with communities to promote economic development and sustainably reduce social inequality.

2.6 Governments

Strictly comply with laws, rules, and regulations as well as assisting in government projects and providing full support in national emergencies.

2.7 Investors

Ensure the adequate and transparent disclosure of information for investment decisions, in addition to providing equal information access for all investors.

2.8 Creditors

Abide by the contractual conditions and agreements made with creditors.

2.9 Non-Governmental Organizations

Cooperate with non-governmental organizations in sustainability-related projects which includes providing support in relevant research and development projects.



2.10 Media

Maintain fair and professional relationships with all media groups by providing them with factual information in order for them to communicate information to the public accurately and in a timely manner.

2.11 Competitors

Adhere to fair competition principles by operating in compliance with fair competition laws and ethics, in addition to preventing any conduct associated with gaining competitors' trade secrets and actions to defame their reputation.

2.12 Subsidiaries

Oversee subsidiaries to ensure their operations adhere to corporate governance principles and are in accordance with the law, regulations, and Group-level policies.

3. Disclosure and Transparency

The Company shall accurately and transparently disclose business information and financial reports in addition to other financial and non-financial information in an adequate, complete, and timely manner via channels that are easily accessible. The disclosure of information must not include confidential information owned by customers, shareholders, and other stakeholders.

4. Board Responsibilities

The Board of Directors is appointed by shareholders and is responsible for setting the Company policy and strategic business direction, including the Corporate Governance Policy, under the guidance of the Senior Chairman. The Board of Directors appoints the Executive Board to oversee C.P. Group's overall operations in line with the Board of Directors' Group policy with integrity and prudence while maintaining C.P. Group's interests with its objectives, the Article of Association, and resolution of shareholder meetings. The Executive Board is also responsible for decision-making, approving and supervising operations in accordance with the Company's strategic direction, ensuring effective implementation of controls, risk management, conflict of interest management, and corporate governance, as well as ensuring financial reporting and important disclosure meet company standards, are reliable, accurate, complete, transparent and on time.



Furthermore, the Executive Board oversees the operations of important functions at management level to ensure their efficiency and effectiveness.

To perform their duties effectively, the Company has set the following guidelines for the Board of Directors and the Executive Board:

4.1 Composition of the Board of Directors and the Executive Board

The Board of Directors consists of directors appointed at the general meeting of shareholders. The Executive Board consists of top executives from the Company and its subsidiaries. The total number of Directors and Executive Board members shall be suitable to the Company's operating responsibilities and current nature of company activities while remaining within the boundaries set by the Article of Association.

4.2 Board of Directors and the Executive Board Nomination

The Board of Directors has determined the following nomination principles for the Board of Directors and the Executive Board:

- (1) Consider the candidate's knowledge, ability, skill, expertise, and experience to contribute to the operations of either Board that are in line with the Company's strategies, targets, and objectives.
- (2) Consider the diversity of either Board, including age, sex, ethnicity, nationality, and country of origin.
- (3) Consider the candidate's reputation for integrity, honesty, and ethics while taking into account their attitudes in serving common interests.

4.3 Enhancing Board Effectiveness

(1) Orientation

All new directors shall receive information and documents covering the Company's operations, Rules and Regulations, the Corporate Governance Policy, and the Code of Conduct. New directors shall also receive sufficient information that is necessary to perform their duties before serving on the respective Board.



(2) Development

The Company shall regularly promote and support directors' opportunities to further their training and experience that are beneficial to their performance of duties as directors and C.P. Group's operations.

(3) Performance Evaluation

The Board of Directors and the Executive Board, in addition to all Board Committees and Steering Committees, shall perform self-evaluations on an annual basis to monitor their performance and use the results as skills enhancement tool.

(4) Remuneration

The Board of Directors has determined the following remuneration principles for directors:

- 1) Consider the director's knowledge, ability, and experience.
- 2) Consider the director's roles and responsibilities, including fees for performing additional duties such as membership in Board Committees and being appointed as chairperson of Board Committees.
- 3) Consider the remuneration rate compared to other companies within the same industry or similar.
- 4) Consider other relevant factors that support the long-term increase in shareholders' value.

(5) Board Committees

The Board of Directors has appointed the Executive Board and Board Committees to increase the Board's efficiency and support its performance of specific duties. Additionally, the Executive Board has appointed management-level Steering Committees to support its performance of duties. Each Board Committee and Steering Committee shall have a written charter that sets out its structure, scope, and responsibilities.



4.4 Performance of the Executive Board

(1) Business Oversight

The Executive Board is responsible for overseeing the implementation of the Company's strategy, policy, and business direction, as approved by the Board of Directors, by supervising the communication, monitoring, evaluation, and reporting processes.

(2) Internal Controls and Risk Management

The Executive Board oversees the implementation of internal controls and risk management systems to promote transparency, efficiency, and effectiveness of operations. All major risks and risk management systems are reviewed on a regular basis and updated through operating mechanisms and the implementation of effective accounting and compliance management systems to ensure that the Company is compliant with laws and regulations, as well as relevant standards. The risk management, compliance, and internal control functions are jointly responsible for maintaining the control mechanisms.

Furthermore, the Executive Board oversees the implementation of controls related to the Whistleblowing Policy and Guidelines which includes whistleblowing guidelines, whistleblower protection measures, the whistleblowing process, the investigation process, and post-investigation reporting.

(3) Auditing

The Executive Board shall oversee audit processes to ensure that they are functional in all areas, including strategy, financial statements, compliance, and operations, in addition to regularly monitoring, evaluating, and reviewing internal audit processes for effectiveness and efficiency.

(4) Conflict of Interest

The Executive Board oversees the implementation of the compliance of conflicts of interest guidelines. This includes avoiding actions that may later cause a conflict of



interest with the Company and actions that conflict with the Company's interests or acting for personal gain/on behalf of related persons.

4.5 Relationship with Management

The Board of Directors has the authority to appoint the Executive Board and the Chief Executive Officer, who in turn appoints the top executives in important positions as deemed appropriate.

(1) Recruitment

The recruitment of the Chief Executive Officer and top executives shall comply with director nomination principles, including the following:

- 1) Consider the candidate's knowledge, ability, skill, expertise, and experience in areas beneficial to the Company's strategies, targets, and objectives.
- 2) Consider the diversity of experience, age, sex, ethnicity, nationality, and country of origin in the composition of the Executive Board.
- 3) Consider the candidate's reputation for integrity, honesty, and ethics while taking into account their attitudes in serving common interests.

(2) Orientation

All new Chief Executive Officer and top executives shall receive information and documents covering the Company's operations, Rules and Regulations, and the Code of Conduct, as well as sufficient information necessary to their performance of duties.

(3) Development

The Chief Executive Officer and top executives are provided with support and opportunities to develop the necessary skills to their performance of duties, as well as to appropriately prepare them for future succession.

(4) Remuneration

The Board of Directors has determined the following remuneration principles for the Chief Executive Officer and top executives:

- 1) Consider the executive's knowledge, ability, and experience.
- 2) Consider the executive's roles and responsibilities.



- 3) Consider the remuneration rate compared to other companies within the same industry or similar.
- 4) Consider the executive's outputs and achievements according to the Company's performance.
- 5) Consider other relevant factors that support the long-term increase in shareholders' value.

5. Integrity, Honesty, and Ethics

Integrity, honesty, and ethics are the foundations of the Company's business operations. To maintain stakeholder confidence in the conduct of its employees, the Company has established its Code of Conduct for all directors, management, and staff to comply.

The Company realizes the importance of upholding integrity, honesty, and ethics as part of its corporate culture, and therefore has continued to promote the understanding of its Code of Conduct by communicating through available media channels. New directors, management, and staff shall attend onboarding programs that cover integrity, honesty, and ethics. Furthermore, the Company shall monitor the overall results of compliance with the Code of Conduct through regular reports from management. All violations of the Code of Conduct are subject to disciplinary action that may range from warnings, suspensions without pay, clawbacks, up to termination of employment based on the severity of the violation in question as per the Company's employee regulations.

The Company considers integrity, honesty, and ethics as fundamental qualifications expected of all directors, management, and staff, all of whom are committed to collectively maintain the Group's highest standard of integrity, honesty, and ethics, as well as complying with laws and regulations, anti-corruption measures. In addition, ethical issues must be managed effectively and transparently.