



Charoen Pokphand Foods Public Company Limited

Corporate Governance Policy and CPF Code of Conduct



Charoen Pokphand Foods Public Company Limited

Corporate Governance Policy

Introduction

The Company's Corporate Governance Policy consists of 5 major chapters according to Corporate Governance guideline prepared by the Organisation for Economic Co-operation and Development or OECD, namely:

- (1) Rights of Shareholders,
- (2) Equitable Treatment of Shareholders,
- (3) Roles towards Stakeholders,
- (4) Disclosure of Information and Transparency, and
- (5) Responsibilities of the Board of Directors.

This Corporate Governance Policy has been revised to be consistent with certain changes in the capital market community in order to improve the organization's governance in line with international standards. The Corporate Governance Code (the "CG Code") 2017 prepared by the Securities and Exchange Commission has been reviewed in order to be applied for enhancing the Corporate Governance Policy and Practices as well as to be adapted to the Company's business context.

The Company is confident that good corporate governance is an integral part in building organizational sustainability, creating economic growth that enables good and reliable performance in the long term as well as sustainable business values, all of which shall meet expectations of the business sector, shareholders, stakeholders and society as a whole. Therefore, the Company set its Corporate Governance Policy which is regarded as the mission to be fully recognized and implemented by the Board of Directors, executives and employees throughout the organization. An evaluation of the implementation of this Policy and report on the results thereof to the Board of Directors shall be made at least once a year.

Chapter 1 Rights of Shareholders

Principle

The Board of Directors recognizes the rights of shareholders as provided by laws, and support the exercise of their rights in a manner not inconsistent with the provisions of the laws. The Board of Directors will not do anything which violates or deprives shareholders of their rights.

Guidelines

To promote the exercise of rights by shareholders, the Board of Directors has established guidelines as set forth below.

General Practices

1. The Company shall ensure that all shareholders have the fundamental rights as prescribed by the laws, such as the equal right to profit sharing, the right to receive adequate news and information of the Company in a timely manner, etc., and shall facilitate and encourage shareholders, especially the institutional group, to attend and exercise their voting rights at shareholders meetings.
2. The Company shall ensure that the total number of shares held by directors does not exceed twenty-five percent (25%) of the total number of shares issued and sold by the Company.
3. The Company shall promote the maintenance of ordinary shareholding by minority shareholders at a proportion in excess of forty percent (40%) of the total number of shares issued and sold by the Company.
4. The Company shall not obstruct or cause obstacle to communication opportunities among shareholders.
5. When a shareholders agreement is to be executed by any shareholders, the Company shall endeavor to ensure that such shareholders agreement will not materially affect the Company or other shareholders.
6. The Company shall refrain from doing anything to limit shareholders' opportunities to study information publicly disclosed by the Company.

Procedures before the Date of Shareholders Meeting

7. The Company shall ensure that a notice of meeting, in Thai and English, is sent to shareholders at least 21 days prior to the meeting date, and posted on the Company's website at least 30 days prior to the meeting date. A notice of meeting shall consist of the following information:
 - 7.1 the date, time and place of the meeting, an agenda which clearly describes the respective agenda items, the rules and procedures relating to attendance of the meeting and voting under each agenda item, as well as adequate information, rationales, and opinions of the Board of Directors for the proposed agenda items so as to enable shareholders to exercise their independent decision making and protect their interests and the Company's overall interests;
 - 7.2 the profiles of persons nominated to be directors, e.g. their ages, educational background, work experience and number of companies in which they hold directorship position, the rules and method of nomination, the types of directors who are nominated for re-election, their attendance of meetings during the previous years and the date of their first appointments as directors, etc. for the shareholders' information and consideration under the agenda item relating to the election of directors;
 - 7.3 the names of auditors nominated for appointment, their companies, experience, expertise, independence, and fee for the shareholders' information and consideration under the agenda item relating to the appointment of auditors; and

- 7.4 the dividend payment policy and the proposed amount and rate of dividend payment, including other supplementary details for the shareholders' information and consideration under the agenda item relating to dividend payment.
8. The Company shall provide shareholders with an opportunity to raise questions relating to the agenda items to the Board of Directors prior to the meeting date.

Procedures on the Date of Shareholders Meeting

9. A shareholders meeting shall be held in a locality with convenient transportation to facilitate attendance of the meeting by shareholders.
10. Sufficient personnel and technologies must be provided to examine the documents of shareholders and fully facilitate their attendance and voting, as well as to support vote counting and the announcement of the results, so that the meeting can be conducted expeditiously and so the voting results are accurate.
11. All directors and management are encouraged to attend shareholders meetings to answer shareholders' questions.
12. The Company shall arrange persons to verify vote counting in the shareholders meeting, and disclose them in the minutes of the shareholders meeting.
13. Before the commencement of a shareholders meeting, the chairman of the meeting or a person assigned by them shall explain the rules for the meeting and the voting procedures and method.
14. During a meeting, the chairman or a person assigned by them shall inform the meeting of the details and rationale supporting its decision on the proposed matters, and the votes required for the respective agenda items.
15. For each agenda item which requires a resolution of the meeting, the voting shall be made by ballot, unless shareholders have voted in advance through their forms of proxy.
16. Voting for election of directors shall be conducted on a person-by-person basis, under the agenda item relating to election of directors.
17. Shareholders shall be given opportunities to raise questions, express their opinions and make recommendations in an independent and appropriate manner, based on the meeting agenda.

Procedures after the Date of Shareholders Meeting

18. Resolutions and voting results of a shareholders meeting shall be disclosed on the day following the meeting date, via a newsletter which is publicized through the information disclosure system of the Stock Exchange of Thailand and on the Company's website.
19. Minutes of the shareholders meeting shall be prepared and publicly published on the Company's website within 14 days of the meeting date. Resolutions of the meeting, including the numbers of affirmative, negative and abstaining votes for the respective agenda items, shall be clearly recorded in the minutes.

Chapter 2 Equitable Treatment of Shareholders

Principle

The Company's shareholders shall be treated equally and fairly based on their fundamental rights, the Company therefore set a policy and supervisory approaches to prevent misuse of insider information for the interests of oneself or other persons, or disclosure of information to persons associated with directors or executives to the detriment of shareholders as a whole. The Company has also conduct shareholders' meeting to support equal treatment of all shareholders.

Guidelines

To ensure protection of all stakeholders' fundamental rights, the Company has established guidelines as set forth below.

Use of Insider Information

1. The Company has a policy on the management and use of inside information with an aim to ensuring that significant information which may affect the price and value of its securities has been disseminated correctly, and in accordance with the relevant laws and regulations. Moreover, the policy also determine the proper measures to preserve the confidentiality of the information which all directors, executives and employees are obligated to strictly adhere. This policy includes the management and type of inside information as well as the method to disseminate such information publicly.
2. The Company has prepared name lists of working groups' members undertaking projects that contain significant information which have not yet been disclosed to the stock exchange. All persons who can access to internal information must strictly comply with the policy and regulations relating to the use of inside information.
3. The Company has the regulation on securities trading which indicates that the Company's directors, executives and including all persons who can access to inside information must prepare and submit a report on the holding, sale and purchase of securities issued by the Company within the period of time prescribed by the relevant law and regulations whenever there is a change. The Company's Secretary Office must also report changes in the securities holdings of the directors and executives to the Board meeting on a quarterly basis and report changes in the securities holdings of the persons who can access to inside information to the Executive Committee meeting on a quarterly basis. In addition, the regulation on securities trading also clearly specify the blackout periods as follows: (1) since the following date after the end of each quarter until (include) the day which CPF discloses its quarterly financial performance (2) since the beginning of project containing significant information which have not yet been disclosed to the stock exchange which have not disclosed publicly until (include) the end of such project and (3) any other period that the Company Secretary might specify from time to time.

In the event that the Company's directors, executives or the persons who can access to inside information wish to sale and purchase securities issued by the Company, they are required to notify the Company Secretary Office on such transactions at least 1 business day prior to the transaction date.

Protection of the Rights of Minority Shareholders

4. Minority shareholders are given opportunities to propose matters to be included in the agenda before the meeting date, and to nominate qualified individuals for being election as directors. The rules, channels, and timing for submitting these matters are posted on the Company's website for shareholders' information.
5. The Company provides a proxy form on which shareholders can dictate the direction of their voting through proxies in the event that shareholders are unable to attend the meeting in person. At least one independent director will be nominated in a notice of meeting as an alternative proxy for shareholders.

6. A notice of meeting shall specify the documents or evidence, including instructions and process for appointing a proxy, in order to ensure correct preparation by shareholders and to avoid problems in the attendance of meeting by proxies. The rules, procedures, and conditions for the appointment of proxies will be prescribed according to the legal requirements. The Company shall not intentionally include any other requirement to make it complicated for shareholders to appoint proxies.
7. The Company shall ensure that no shareholder who is an executive can add any agenda items without advance notice, through the same process applicable to general shareholders.
8. Shareholders are equally entitled to one vote for each share held by them.
9. A policy regarding transactions which may cause conflicts of interest shall be established to provide explicit guidelines and prescribe a careful, reasonable, and independent consideration process for the execution of such transactions within the scope of the code of ethics and for the interests of the Company and shareholders as a whole.
10. The Company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board's opinions relating to such transactions.
11. In case of related party transactions requiring shareholders' approval, the decision shall be made by shareholders who have right to vote only, excluding shareholders who have a conflict of interest according to the relevant regulations of the regulatory bodies.

Chapter 3 Roles toward Stakeholders

Principle

The Company has several groups of stakeholders, namely shareholders, employees, customers, business partners, trade competitors, creditors, community, and society. All groups of stakeholders shall be fairly served by the Company according to their statutory rights and agreements with the Company. Should there be any damage; the Company shall provide proper indemnification to all parties concerned.

Guidelines

1. The Company shall provide measures to indemnify stakeholders who sustain damage as a result of the Company's acting in violation of their statutory rights.
2. The Company shall open up to whistleblowing and complaints relating to any violation of law or the Company's ethics, which can be made through the Company's independent directors and audit committee members. The Company shall also provide measures to protect employees or persons who report any violation of law.
3. The Company shall provide procedures after complaint is received, whereas information received shall be verified and matters with material impact must be investigated and reported to the Board of Directors.
4. The Company shall prepare channels which stakeholders may lodge complaints relating to infringement of their rights, including providing contact details of the delegated persons clearly.
5. The Company shall establish the policies relating to the Code of Conduct as follows:
 - Conflict of Interest Policy
 - Anti-Corruption Policy
 - No Gift Policy
 - Sustainability Policy
 - Code of Conduct for Business Partners
 - Supply Chain Management Policy
 - Human Rights and Labour Practices Policy
 - Whistle Blowing Policy
 - Personal Data Protection Policy
 - Occupational Safety and Health Policy
 - Information Management Policy, and
 - Anti-money Laundering Policy
6. The Company shall promote communication and embed its objectives and major goals which shall be reflected through decision-makings and operations performed by employees of all levels.

To ensure that all groups of stakeholders are fairly treated according to their rights and agreements with the Company, the Board of Directors has established guidelines as set forth below.

Roles toward Shareholders

The Board of Directors acts as a representative of the shareholders in monitoring and supervising the management to manage the businesses for maximum returns and the best satisfaction of shareholders, by taking into account the value and sustainable growth of the Company. Therefore, the Board of Directors has established the following guidelines:

- to organize an efficient nomination process in order to recruit qualified individuals to be directors, whereas the Remuneration and Nominating Committee is assigned to be responsible for this process; and

- to disclose the Company's financial information and other matters in an adequate, transparent and reliable manner, whereas the Investor Relations Office and Company Secretary Office is assigned to act as a channel of communication between investors or shareholders and the Company.

Roles toward Employees

The Company believes that strong business foundation is built up by employees who possess knowledge, capabilities and expertise and are aware of the importance of their roles, duties, and values. If employees can perform successfully and accomplish their goals, the Company's business shall succeed and achieve its goals as well. Nonetheless, all these issues could happen when the Company treats every person with respect and fairness. Therefore, the Board of Directors has established the following guidelines:

- to determine a code of conduct for all directors, executives and employees as standards of business conduct and guidance on conduct and ethics, all of which shall be applied in the same direction under applicable laws, rules and regulations of each country as well as policies and practices of the Company, and including highest ethical standards. In this regard, all employees have to sign for acknowledgement and uphold the principles stated in with this code of conduct. The current CPF Code of Conduct has prescribed:
 - Business principles,
 - Corporate values,
 - Compliance with the Code of Conduct which is divided into 4 categories, namely, virtue, quality, personnel and assets, including the policies relating to the Code of Conduct in each category,
 - Compliance with laws, rules and regulations, both in Thailand and foreign countries, and
 - Operational supervision which covers whistleblowing or complaints process and penalty;
- to establish a human resource management policy which covers personnel management, treating employees with fairness, equality, politeness and respect, provision of career opportunities for employees at all levels, and development of morale among employees. In this regard, a channel of communication between the CEO and employees has been provided via the Company's intranet system, through which the CEO can communicate the Company's policies, visions and goals to employees, and through which employees' comments, suggestions and grievances can be brought directly to the attention of the CEO for timely investigation. The names of those employees will be kept confidential;
- to promote practice of equality, fairness and freedom from discrimination and harassment, and infringement of rights and personal freedoms, both directly and indirectly;
- to promotes equal opportunities, diversity and coexistence to ensure that the Company's work environment covers diversities of source, education, gender, sexual identity, sexual orientation, ethnicity, nationality, work and thought styles, religion, generation and disability, including adhering to and complying with labour laws;
- to respect employees' right to privacy, and to keep employees' personal data confidential, as well as to designate persons who are specifically authorized to access such information as necessary and appropriate, all of which are in accordance with the Code of Conduct and the personal data protection law;
- to promote learning organization and employee recognition as well as to provide employees with opportunities for capability development to become professionals, and to encourage employees to work together as a team;
- to establish a policy on employees' remuneration and welfare based on the fundamental principles that such remuneration and welfare shall be reasonable and comparable to those of the domestic peers in the same industry and based on employees' individual performance, and that they shall reflect the short-term and long-term operating results of the Company.
- to establish long-term saving for retirement scheme or compensation scheme to attract and retain employees in the long run.

Roles toward Customers

The Company has placed priority on quality and safety of all products and services. This commitment is not only limited to the Company's production chain, but covered all value chains of businesses the Company has operated. Stated alternatively, The Company has placed priority throughout product lifecycles from upstream to downstream or from sources of raw materials to consumers worldwide with international manufacturing standards and stringent quality control, all of which are in alignment with the Company's Quality and Food Safety Policy and Food Traceability Policy of food production. The Company has also placed emphasis on innovation creation and dedication to research and development to enhance its production efficiency in order to produce foods that are consistent with consumer satisfaction and behavior. In addition, the Company shall conduct its sale and marketing in accountable and honest manner.

Therefore, the Company has established guidelines regarding the fair and accountable treatment of customers as follows:

- in case qualities of products and services are not in conformity with defined criteria or may not meet standards, all of which may affect safety and the Company's reliability, relevant personnel must notify their superiors for acknowledgement, take corrective action or conduct a product recall immediately. Regarding the product recall, it must be handled in compliance with the laws or stricter than the laws promulgated by each country;
- all business units must prioritize resolving complaints, whereas the management is required to review complaint management data on a quarterly basis;
- relevant personnel shall take part in communicating to customers through current channels in order to foster awareness and understanding on the Company's production quality and standards throughout the value chain, including its sustainable management system;
- to report issues relating to safety and product quality to the Company's Bureau of Food Regulations;
- relevant personnel shall treat customers with regular care and attention, present products and services in an honest manner, provide accurate information to customers to enable their decisions on selecting products and services, and to establish long-term customer relationship and acceptance according to the law and business ethics;
- regarding sales promotion and advertising, including any communication on behalf of the Company, relevant personnel must not provide inaccurate data nor cause misunderstandings, and must provide explanations of facts and related information in honest and transparent manner as well as comply with applicable laws, rules and regulations of each country, by taking into account subtle cultural and traditional differences in different countries;
- to set up a system to control the maintenance of customers' confidential information as if it were the Company's confidential information; and
- to set up Call Center to receive comments and complaints regarding the Company's merchandise, and to ensure that the designated unit shall promptly conduct an investigation and take remedial action upon receiving such complaints.

Roles toward Business Partners

As the Company has worked with its business partners to deliver products and services to customers, the Company has an obligation to ensure that those involved in the supply chain have comply with ethical standards and quality requirements. Therefore, the Company has established guidelines as follows:

- relevant personnel are responsible for creating understanding, communicating principles, providing information and suggestions, including organizing necessary trainings relating to conditions and commitment with which suppliers shall comply continuously and regularly in accordance with rules for business partners as stated in the Code of Conduct for Business Partners and the Sustainable Sourcing Policy and Supplier Guiding Principle;

- in case any supplier is suspected being non-compliant with determined quality standards, relevant personnel shall report to their superiors and inform work unit overseeing compliance, or notify in writing to whistleblowing unit through channel according to the Whistleblowing Policy;
- personnel shall treat all suppliers with equality and fairness, including paying respect and recognize that each supplier is one among the Company's business partners;
- selection of business shall be made on the basis of the Company's best interest, whereby the selection process must be unbiased;
- personnel must not receive any benefit from a person who is going to be chosen as a business partners since doing so may cause bias in decision making; and
- to set up a system to control and prevent disclosure or unlawful exploitation of any confidential information of business partners in the operation of businesses.

Roles toward Trade Competitors

The Company believes that fair competition benefit entrepreneurs, partners and consumers. Therefore, the Company has conducted its businesses in complied with fair trade-competition law. The Board of Directors has also established the guidelines regarding fair and accountable treatment of trade competitors as follows:

- employees representing the Company must inform trade associations or industry associations of which the Company has been a member regarding the Company's standpoint on fair trading competition;
- employees representing the Company must not enter into any agreement with any trade competitor or business partner in the following manner:
 - mutually set up a price or any commercial terms, whether directly or indirectly;
 - limit quantity of product or service which each entrepreneur shall produce, purchase, distribute or provide service;
 - mutually quote a price or bid rigging;
 - define geographical areas in which entrepreneurs shall distribute or purchase products or services in such areas;
 - lower qualities of products or services;
 - appoint sole distributor which results in reducing competition or monopoly.
- to consult with the Company's legal advisor in case of being uncertain that any action is considered a trade barrier;
- to set up a system to monitor and prevent unlawful acquisition or exploitation of trade competitors' trade secrets;
- not to intentionally injure the reputation of any trade competitor by making an adverse accusation; and
- not to take advantage of trade competitors by any dishonest means.

Roles toward Creditors

The Board of Directors has established guidelines regarding fair and accountable treatment of creditors as follows:

- to set up a system to monitor and control strict compliance with the Company's obligations towards its creditors in order to safeguard the Company's reputation; and
- to clearly and fairly prescribe commercial terms and conditions, such as the provision of guarantee and the action to be taken in the case of default of payment.

Roles toward Community and Society

Recognizing values and importance of natural resources and environmental which are completed upstream factors and fundamentals of agro-industry and food security, the Company has placed high importance responsible uses of resources and mitigation of environmental impacts caused by continuous business operations. In addition, the Company is also committed to advancing well-being of animals and protection of protecting the environment throughout the value chain.

The Company's commitment to sustainable resource management has been passed to its manufacturing process management, water management, power management, waste management, use of chemicals and management, transportation, packaging and container, including greenhouse gas emissions and optimization of eco-efficiency.

Additionally, the Company is also committed to running businesses according to correct and proper principles as well as paying attention to animal welfare which relates directly to food quality and safety and is a key component of responsible farming and food production according to the Company's Animal Welfare Policy.

The Board of Directors has established the guidelines regarding fair and accountable treatment of community and society as follows:

- to follow and comply with the laws, rules and regulations at local and national levels in every place where the Company has business operations;
- all personnel shall use resources efficiently by applying 4Rs principles including reduce, reuse, recycle and replenish on water, energy and waste managements;
- all personnel shall immediately report to superiors in case experiencing irregularities in the workplace which may affect the Company, employees, communities, including surroundings;
- relevant personnel shall promote and encourage business partners to comply with relevant policies and practices relating to CPF sustainable resource management;
- to disclose operational information transparently and provide opportunities to relevant community and stakeholders on expressing their opinions concerning issues that have impact on the community.

Chapter 4 Disclosure of Information and Transparency

Principle

The Board of Directors is responsible for overseeing preparation systems of financial reports and disclosures of critical information to ensure that they are accurate, adequate, timely, and in accordance with related rules, standards and procedures, including being accessed through convenient channels that can be accessed with ease. Therefore, the Board of Directors has established the following guidelines:

Guidelines

In order to ensure that the Company's important information is fully disclosed in a transparent and timely manner, the Board of Directors has established the following guidelines:

Disclosure of Information

1. Disclose the critical information transparently and timely through channels that can be accessed easily and equally, without mistake of fact, whereas the information disclosed shall be accurate and adequate for investment decisions and are not contrary to disclosure requirements of regulatory agencies.
2. Disclose up-to-date information in both Thai and English versions, in addition to the disclosure of information according to the prescribed rules and via the channels of the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
3. Assign an Investor Relations Office to disseminate its financial and general information to shareholders, security analysts, and investors, and to serve as a channel of communication for shareholders and interested investors. The Investor Relations Office has the duty to meet with investors and securities analysts on a regular basis to present the Company's performance.

Chapter 5 Responsibilities of the Board of Directors

Principle

The Board of Directors has a significant role in supervising the Company's businesses. To ensure efficiency, the Board's structure, as well as its authorities, duties and responsibilities must be appropriate and clearly defined. Individuals who are to be appointed as the Company's directors must be honest in carrying out their duties and have visions, abilities and experiences, including being able to devote their time to fully perform their duties for the Company. These individuals must also be independent in their decision making for the best interests of the Company and shareholders as a whole. Furthermore, in order to enhance the efficiency of the Board of Directors, there must be committees in charge of providing assistances in areas of supervision, studying and screening works as necessary.

Guidelines

In order to ensure that the Board's structure is suitable for the Company's business operations and to clearly define the framework, authorities, duties and responsibilities of the Board with a view to enhancing its efficiency, the Board of Directors has established the guidelines as set forth below.

Structure of the Board of Directors

1. Composition of the Board of Directors

1.1 The Board of Directors must consist of at least 5 directors. At least one-third of the total number of directors, but not less than three directors, must be independent directors. The Chairman of the Board of Directors must not be a chairman or member of any committee, and must not be the same person as CEO.

1.2 The Board of Directors must consist of directors who possess different qualifications in terms of skills, experiences, and special expertise such as business relevant and risk management that benefit the Company, including races, nationalities, and genders. The composition of the Board of Directors and the years of directorship of each director will be disclosed in an annual report and the Company's website.

1.3 The Board of Directors must include at least 1 female independent director.

2. Qualifications of Director

2.1 Director

2.1.1 All directors must possess the qualifications, and have no prohibited characteristics, as prescribed by the law on public limited companies, law on securities and exchange and notifications of the regulatory authorities. The independent directors must also possess the qualifications as prescribed by the Capital Market Supervisory Board.

2.1.2 All directors must have experiences in related fields of business and industry for the overall interests of the Company as well as an understanding of business obstacles, and must be able to perform duties in an efficient manner, to create competitive advantages in the industry and to provide insights into the handling of significant risks.

2.1.3 Without exception, no director may hold directorship positions in more than 5 listed companies.

2.1.4 A director may not have been an employee or partner of an external auditing firm engaged by the Company during the past 2 years.

2.1.5 A director who serves as an executive director may not hold a directorship position in more than 2 other listed companies.

2.1.6 In case any director holds a directorship or management position in another company, he or she shall report the details thereof to the Company for acknowledgement. This matter shall be one of his or her interests that must be reported in accordance with Disclosure of Information and Transparency of Corporate Governance Policy.

2.2 Additional qualifications for independent director

2.2.1 The qualifications of independent director shall at least be in accordance with the criteria prescribed by the regulatory authorities as prescribed below. The Company may add required qualifications as appropriate

Independent director shall not holds not more than 0.5% of the total outstanding voting shares of the Company, a parent company, a subsidiary, an associate, a major shareholder, or a controlling person of the Company, including shares held by a person related to the independent director.

2.2.2 Independent director must be independent of the Company's management and majority shareholders.

2.2.3 An independent director may hold directorship positions in no more than five listed companies.

Nomination of Directors

3. The Remuneration and Nominating Committee is responsible for nominating individuals qualified to be the Company's directors, including the Board skills matrix and diversity of the Board as additional factors for nominating such individuals to the meeting of the Board of Directors in order to consider and approve appointments of directors (in case a directorship becomes vacant for reasons other than retirement by rotation) or to propose to the shareholders' meeting for further consideration. The Company also provides its shareholders opportunities to participate in nominating qualified individuals for election as directors in advance according to the rules prescribed by the Company.
4. Regarding nominations of directors, the Company has determined qualifications of directors, all of which shall be in line with the Company's business strategies. The Company may select appropriate persons by using professional search firm or director pool provided by external institution.

Term of Directorship

5. At every annual general meeting of shareholders, one-third of the directors, being those who have held the longest term in office, shall retire. If the number of directors is not a multiple of three, the number nearest to one-third shall retire from office. A retiring director may be nominated to the meeting for re-election.
6. In case a directorship becomes vacant for reasons other than retirement by rotation, the Board of Directors shall elect a person who has the qualifications and possesses no prohibited characteristics under the law as a substitute director, unless the remaining term of office of the vacating director is less than two months. The newly-appointed director shall hold office only for the remaining term of office of the director whom he or she replaces. Such appointment must be approved by a vote of not less than three-fourths of the number of subsisting directors.
7. Each independent director may hold the position of independent director for no more than a maximum of nine consecutive years.

Roles, Duties and Responsibilities of the Board of Directors and the Committees

8. Board of Directors

The Board of Directors has the duty to supervise the management to operate the business in accordance with the objectives, strategies and the operational plan approved by the Board of Directors, in the best interests of the Company and all stakeholders. The Board of Directors will assign the authority, duties and responsibilities relating to daily managerial tasks to President. These authorities and duties must be clearly separated from the authorities and duties of the Chairman of the Board of Directors. The Board of Directors may appoint various committees to supervise

specific areas of operation, and engage external experts or advisors to provide opinions or advice on matters relating to the Company's business operations, as necessary and appropriate, at the Company's expense. Roles and responsibilities of Board of Directors are as follows:

- 8.1 To perform its duties in accordance with the laws, the Company's objectives and Articles of Association, as well as resolutions of shareholders meetings, with due accountability, care and integrity;
 - 8.2 To determine the major policies for business operations, as well as the policies relating to finance, mobilization of funds, funds management, management of the Company's risks, allocation and management of information technology, and to supervise the management for the implementation of these policies in an efficient and effective manner;
 - 8.3 To consider and approve the Company's vision and mission, and cause a review thereof every year;
 - 8.4 To consider and approve the Company's objectives, strategies and business plans as well as conduct a review thereof every year, and to monitor the results of the implementation of those prescribed plans;
 - 8.5 To consider and approve matters other than those which are within the authority delegated to the President, or matters which must be approved by the Board of Directors or a shareholders meeting as prescribed by the law or the relevant rules or procedures of the Company;
 - 8.6 To set up an internal control system covering the areas of business operations, financial reporting and compliance with the laws and the Company's rules, policies and procedures. In this regard, the Internal Audit Office has the duty to audit the compliance with this internal control system, and make a report to the Audit Committee. The Board of Directors will evaluate the risk management system and assess the adequacy and appropriateness of the internal control system on a yearly basis, and will review the significant systems at least once a year. The Board of Directors will also provide its opinions thereon in the annual report;
 - 8.7 To promote innovation and the use of technology to enhance competitiveness with responsibilities to social and environmental matters and ensure that management take it into their consideration when reviewing the Company's strategies;
 - 8.8 To assess the compliance with corporate governance policy and conduct a review thereof at least once a year;
 - 8.9 To appoint Chief Executive Officer (CEO), to supervise and ensure that CEO performs his duties in accordance with the Company's corporate governance policy and the scope of authority delegated by the Board of Directors, and to conduct an annual evaluation of CEO's performance in order to support the determination of his remuneration;
 - 8.10 To appoint directors or executives to serve as directors of the subsidiaries in order to oversee their operations in accordance with their investment objectives;
 - 8.11 To appoint the Company Secretary who is to be responsible for all matters as required by the law;
 - 8.12 To appoint the Audit Committee, the Executive Committee and other committees, such as the Remuneration and Nominating Committee, in order to assist the Board of Directors in supervising the business with a view to achieving the prescribed objectives. The majority of the committee members shall be independent directors. The chairmen of the committees must be independent directors; and
 - 8.13 To set up a plan for director and management development, as well as a succession plan.
9. Audit Committee
- 9.1 To review the Company's financial reporting process to ensure that it is accurate and adequate;
 - 9.2 To review the Company's internal control and internal audit to ensure that they are suitable and efficient;

- 9.3 To review that the Company and the senior management strictly adhere to risk management policy, strategies and risk appetite;
- 9.4 To review the adequacy and efficiency of overall risk management policy, strategies and risk appetite at least once a year or upon any significant change;
- 9.5 To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand and the laws relating to the Company's businesses;
- 9.6 To determine the independence of the Internal Audit Office, as well as to approve the appointment, transfer, dismissal and to evaluate the performance of the Head of Internal Audit Office;
- 9.7 To consider, select and nominate independent persons to serve as the Company's external auditors, to propose their remuneration, to dismiss the Company's external auditors and to attend the meeting with the external auditors without the management at least once a year;
- 9.8 To review related-party transactions and any transactions that may involve a potential conflict of interest so as to ensure that they are in compliance with the law and the regulations of the Stock Exchange of Thailand, and are reasonable and in the best interests of the Company;
- 9.9 To prepare a report of the Audit Committee which is signed by the Chairman of the Audit Committee and published in the Company's annual report. This report must contain at least the following information:
 - (1) a commentary on the accuracy, completeness and creditability of the Company's financial report;
 - (2) a commentary on the adequacy and efficiency of the Company's internal control system;
 - (3) a commentary on the efficiency and effectiveness of the overall Company's risk management;
 - (4) a commentary on compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business;
 - (5) a commentary on the suitability of the external auditors;
 - (6) a commentary on transactions that may involve potential conflicts of interest;
 - (7) the number of audit committee meetings and the number times of attendance at such meetings by each audit committee member;
 - (8) a commentary or overview of the Audit Committee on the performance of its duties in accordance with the audit committee charter; and
 - (9) the details of any transactions which, in the Audit Committee's opinion, should be known to shareholders and general investors, provided that this must be within the scope of duties and responsibilities assigned by the Board of Directors; and
- 9.10 To perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

In performing its duties within the scope specified above, the Audit Committee shall be directly responsible to the Board of Directors. Nonetheless, the Board of Directors shall remain responsible to third parties for the acts of the Company.

10. Remuneration and Nominating Committee

- 10.1 To establish the rules and process for nominating individuals qualified to be the Company's directors and member of the Audit Committee;
- 10.2 If there is a vacancy on the Board of Directors or the Audit Committee, to propose an individual qualified to fill such vacancy to the Board of Directors for its consideration;
- 10.3 To review the structure, size, and composition of the Board of Directors, and suggest any appropriate changes;
- 10.4 To conduct an annual evaluation of the performance of the Board of Directors, and to report such evaluation to the Board of Directors;

10.5 To establish and review the policy and guidelines relating to directors' remuneration which is suitable for their responsibilities, and commensurate with the prevailing level of the industry and the benefits expected from them whereby the Company's operating results and the directors' duties and responsibilities are taken into account. Such policy and guidelines must also be in accordance with the policy established by the Board of Directors Any proposed change in the remuneration, from that which has been approved by a shareholders meeting, must be submitted to the Board of Directors for its consideration and then to a shareholders meeting for its approval; and

10.6 To perform any other tasks relating to its duties and responsibilities, as requested by the Board of Directors.

To efficiently perform and accomplish its duties and responsibilities as assigned by the Board of Directors, the Remuneration and Nominating Committee shall meet at least twice a year to consider, discuss any matters and take any action according to its duties and responsibilities. The Remuneration and Nominating Committee may invite other parties such as independent advisor to attend the meetings as appropriate.

11. Corporate Governance Committee

11.1 To establish and propose the corporate governance scope and policy to the Board of Directors for its approval;

11.2 To propose the guidelines and give advice on corporate governance to the Board of Directors;

11.3 To review, jointly with the directors and the management, the compliance with corporate governance policy;

11.4 To regularly review the corporate governance guidelines by comparing them with international practices, and to propose revisions thereof to the Board of Directors for the purpose of enhancing efficiency and effectiveness; and

11.5 To report the results of assessment of the compliance with corporate governance policy to the Board of Directors at least once a year.

12. Corporate Social Responsibility and Sustainable Development Committee

12.1 To establish and propose the social responsibility and sustainable development policy and direction to the Board of Directors for its approval;

12.2 To support social responsibility and sustainable development activities by participating in a meeting in order to provide the guidelines and monitor the tasks in accordance with the prescribed timeframe;

12.3 To consider and assess the results of implementation of the social responsibility and sustainable development, to give advice for the development, and to make a report to the Board of Directors at least once a year;

12.4 To approve the report on social responsibility and sustainable development for public disclosure; and

12.5 To appoint a social responsibility and sustainable development sub-committee as considered appropriate.

13. Executive Committee

13.1 The Executive Committee has authorities to approve the following matters:

(1) The establishment of new subsidiaries with registered capital not more than Baht 800 million;

(2) The acquisition by CPF or subsidiaries

(a) Purchase or acquisition of investment in shares or equity of any juristic person, where the value is not exceed Baht 800 million except any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting of CPF or its subsidiaries;

(b) Merger or acquisition in terms of assets acquisition where the value is not exceed Baht 800 million;

(c) Investment or shareholding restructuring within the group by means of sale and purchase of shares or businesses or merger within the group;

(3) Capital Expenditure

- (a) Capital expenditure of CPF or subsidiaries, where the value of the project is more than Baht 100 million but not exceed Baht 800 million;
- (b) Capital expenditure of CPF or subsidiaries already approved, where the value of the project is more than Baht 100 million but not exceed Baht 800 million and the expenditure is 10% over the approved budget
- (c) The transactions requiring registration with Land Office, i.e.
 - (c1) Purchase or be transferred immovable properties according to the capital expenditure approved by the Board of Directors or Executive Committee, as the case may be;
 - (c2) Sell or transfer immovable properties as approved by the Board of Directors or Executive Committee, as the case may be;
 - (c3) Lease or let immovable properties which is ordinary course of business or supporting ordinary course of business;

(4) Treasury and Accounting

- (a) Accept trade finance / working capital facilities between CPF and commercial banks;
- (b) Provide or accept long-term financial assistance between CPF and its subsidiaries;
- (c) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than Baht 100 million but not exceed Baht 800 million;

(5) Personnel

- (a) Appointment of directors of subsidiaries and associates, according to the principles approved by the Board of Directors
- (b) Human resource development plan and succession plan, appointment and rotation, performance assessment criteria, determination and adjustment of salary and other benefit of Chief Operating Officer and Head of Business Unit level;

(6) Governance

- (a) Annual compliance plan for the group;
- (b) The issue of consolidated and separate financial statement for the year and quarter of CPF;
- (c) The appointment of representative to attend shareholders' meeting of direct subsidiaries.

13.2 The Executive Committee has Primary Responsibilities of the Executive Committee:

- (1) To scrutinize the following matters before they are submitted to the Board of Directors of CPF or subsidiaries or sub-committees (as the case may be) for approval
 - (a) Corporate strategies, goals & long-term business plan and annual budgets of the group;
 - (b) Purchase or acquisition of investment in shares or equity of any juristic person, where the value is more than Baht 800 million except any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting of CPF or its subsidiaries;
 - (c) Merger or acquisition in terms of assets acquisition where the value is more than Baht 800 million;
 - (d) The capital expenditure of CPF or its subsidiaries, where the value of the project is more than Baht 800 million;
 - (e) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than Baht 800 million;
 - (f) Propose the qualified person to be appointed as the CEO of CPF;
 - (g) Annual risk management plan for the group;
- (2) To monitor the following matters performed by management team
 - (a) The performance according to the goal, long-term business plan and annual budget of CPF or its subsidiaries ;
 - (b) The progress of investment project and its actual performance compared to the budget of each project;
 - (c) The progress of human resources development plan;

- (3) To conduct an annual evaluation of the performance of the top management;
- (4) To report matters which approved by Executive Committee as assigned by the Board of Directors;
- (5) To perform any other tasks as requested by the Board of Directors.

Board of Directors Meetings

14. Meetings of the Board of Directors shall be held more than 6 times a year. The meeting dates shall be scheduled annually in advance, but may be rescheduled if necessary. Each director will be notified of the meeting schedule, and has the duty to attend every board meeting. If any director is unable to attend a meeting, he or she shall give notice of the reason therefor to the Company Secretary prior to such meeting. The Company Secretary shall subsequently notify such director of the meeting results.
15. CEO, together with the Chief Financial Officer and the Company Secretary, shall review issues to be included in the meeting agenda of the Board of Directors before such agenda is submitted to the Chairman of the Board of Directors for approval. Each director is freely entitled to propose any matters beneficial to the Company for inclusion in the meeting agenda.
16. The Company Secretary has the duties to give advice on laws and regulations which the Board of Directors must be aware of, to handle activities of the Board of Directors, to coordinate the implementation of the Board of Directors' resolutions, to prepare meeting documents with full and complete significant details, and to deliver these documents to the directors at least seven days before the meeting date for their thorough and complete consideration.
17. each meeting, the executives who are directly responsible for the proposed agenda items shall be invited to present such agenda items to the meeting, so that the directors can have opportunities to familiar with such executives and are able to support the Board's consideration of a succession plan. All directors are given opportunities to discuss and exchange their views, and make independent decisions. The meeting may request additional information from CEO, the Company Secretary or other executives, or seek advice from independent consultants as appropriate.
18. A minimum quorum of at least 2/3 for board decisions for each agenda is required.

If any director has a vested interest in any agenda item, he or she shall immediately disclose the details thereof to the Board of Directors and shall not participate in the decision making for such agenda item. In this case, total number of directors for the minimum quorum as mentioned in the paragraph one refers to the total number of directors who do not have vested interests in such agenda item.
19. The non-executive directors may hold meetings to discuss matters relating to the Company's overall management as necessary, without any management personnel in such meeting. The reports on the meeting results shall be submitted to the board meetings for acknowledgement.
20. The Chairman of the Board of Directors should allocate sufficient time for the management to present matters, and the directors to thoroughly discuss the same, and should encourage the exercise of prudential discretion. Every director should pay attention to all issues presented to the meeting, including corporate governance issues.
21. Each director has to attend at least 75% of all the board meetings held during the year.

Evaluation of the Board of Directors' Performance

22. The Remuneration and Nominating Committee shall evaluate the Board of Directors' performance annually and report the results to the Board of Directors.
23. The Board of Directors shall conduct a self-assessment at least once a year. The Chairman of the Board of Directors will be responsible therefor. Such self-assessment process and criteria shall be disclosed in the annual report.
24. There shall be an evaluation of individual directors' performance. The process and criteria for such evaluation shall be disclosed in the annual report.

25. An evaluation of the performance of each sub-committee shall be conducted, and a report on the results thereof shall be made to the Board of Directors at least once a year.
26. The Board of Directors may engage an external consultant to help establish the guidelines and recommend the issues in evaluating the performance of the Board of Directors.

Remuneration of Directors and Executives

27. Remuneration of directors shall be in accordance with the rules prescribed by the Remuneration and Nominating Committee.
28. Remuneration of the executives shall be in accordance with the rules prescribed by the Executive Committee

Development of Directors and Executives

29. Upon assuming a directorship position, each director shall receive all important information about the Company, along with the Articles of Association of the Company related to the roles and responsibilities of the Board of Directors, as well as advice concerning the laws, rules, regulations and conditions relating to being a Director of a listed company on the Stock Exchange of Thailand. The person will also receive an orientation of the Company's business.

A director who has not yet attended training courses relating to director development programs, the Company shall provide to such director the training courses organized by Thai Institute Of Directors in order to obtain the following information:

- (1) roles of a director and legal liability; and
- (2) a guide on director's duties according to regulations and code of conduct issued by the Stock Exchange of Thailand and the Securities and Exchange Commission, including principles of good corporate governance.

30. The Company shall continuously provide to its directors trainings and knowledge relating to the Company' businesses, business operating guidelines, relevant industries, regulations and knowledges relating to corporate governance and sustainability development in order to enhance their skills and knowledge for efficient performance. Training and educating activities may be organized within the Company or by external services, whereas business visits shall be also arranged as appropriate.
31. The development of executives shall be in accordance with the executive development plan and succession plan. CEO must report the implementation of these plans to the Executive Committee every year.
32. The Company shall continuously provide to its executives trainings and knowledge relating to the corporate governance, regulations and knowledges relating to sustainability development in order to enhance their skills and knowledge for efficient performance. Training and educating activities may be organized within the Company or by external services.

Holding of Position by Executives

33. If CEO or an executive holds a directorship position in another company other than as assigned by the Company, he or she shall report the details thereof to the Company as prescribed by the law. CEO or an executive may not serve as a president of another company, except as assigned by the Company.
34. An executive must not have been an employee or partner of an external auditing firm engaged by the Company during the past 2 years.



Charoen Pokphand Foods Public Company Limited

CPF Code of Conduct

Message from the CEO

Since starting business, CPF has adhered to three benefits to sustainability (for the country, for the people, and for the Company) on the basis of integrity, good faith and fairness, as well as strict compliance with relevant laws, rules and regulations, for sustainable business growth and livability of all sectors.

Driving toward success under the vision of becoming the 'Kitchen of the World' amidst a rapidly changing environment and higher expectations of society for raising standards of ethical business operations, it is very necessary for CPF to build and maintain 'trust' relationships with customers, business partners, employees, including any organizations or individuals involved. CPF therefore has operated its businesses rightly and ethically which requires cooperation from all staff members.

This 'CPF Code of Conduct' is a basic standard that CPF has used for conducting businesses and being employees' behavioral guideline to confirm that they are being in the same direction under each country's relevant laws, rules, regulations, CPF policies and practices, and including highest ethical standards.

CPF expects that employees shall study and understand best practices stipulated in this CPF Code of Conduct in order to ensure that day-to-day operations and any decisions shall not affect the Company's reliability and reputation.

I would like to thank all employees for participating in creating the three benefits to sustainability and supporting CPF to grow into a workplace which everyone is proud to work for.

(Mr. Prasit Boondoungprasert)
Chief Executive Officer

Introduction

This 'CPF Code of Conduct' covers fundamental principles and operating guidelines for all directors and employees of Charoen Pokphand Foods Public Company Limited and its subsidiaries ("CPF" or "Company"), which shall be adhered and carried out mutually and appropriately by all according to the Company's anticipations. It addresses the Company's business principles, corporate values, compliance-based business ethics and regulatory compliance, including operational supervisions to meet the anticipations accordingly, for of which for benefits of standardized work performances of CPF's all directors and employees based on morality and integrity.

Detail in this CPF Code of Conduct does not cover every specific circumstance, but shall serve as guidelines for particular manner decisions to ensure correctness and appropriateness of the decision made under each circumstance. CPF's directors and employees therefore shall:

- **understand** the principles and practices, especially matters related to duties and responsibilities of each person,
- **consult superiors or work units relevant** to such regulations or policies in case of uncertainty whether any action is conformed to the CPF Code of Conduct or not,
- **communicate with subordinates or related parties** to ensure understanding according to the CPF Code of Conduct, and
- **conduct whistleblowing** through channels determined in CPF Code of Conduct or relevant policies **when experiencing improper action against the CPF Code of Conduct** and cooperate with investigations undertaken, whereas such whistleblower shall be protected according to the Company's policy.

Definition

Charoen Pokphand Foods Public Company Limited and its subsidiaries

Charoen Pokphand Foods Public Company Limited and companies whose shares are directly or indirectly held by CPF, whereas

- (1) CPF holds voting shares of such companies for more than 50 percent of their total voting shares, whether directly or indirectly, and / or
- (2) has control over majority votes in such companies' shareholder's meetings, whether directly or indirectly, and / or
- (3) has authority to control appointments or removals of directors from half of all directors, whether directly or indirectly.

CPF/ Company

Charoen Pokphand Foods Public Company Limited and its subsidiaries

Human resource

Employees at all levels including the Company's executives, staff members and workers, whether being employed permanently or temporarily, and under special executive employment agreements of Charoen Pokphand Foods Public Company Limited and its subsidiaries.

Company director

Directors of Charoen Pokphand Foods Public Company Limited and its subsidiaries.

High-ranking executive

Chief Executive Officer, Chairman, Chief Operating Officer, Chief Financial Officer and top executive of each business unit and support unit of Charoen Pokphand Foods Public Company Limited and its subsidiaries.

Employee

Charoen Pokphand Foods Public Company Limited and its subsidiaries' executives and employees who are paid monthly, daily, hourly, and / or according to works, whether being employed permanently or temporarily or under special employment agreements.

Stakeholder

Individual or groups of people who are directly or indirectly affected by the Company's business operations or own any interest in the Company or may cause impact on the Company's business operations, namely employees, customers, consumers, business partners, business alliances, shareholders, investors, communities, society, government, non governmental organizations, media, competitors, and creditors, etc.

Business partner

Vendors, contractual parties, consultants or business alliances.

Close relative

Persons who are related by blood or legal registration, namely spouses, parents, siblings, children and children's spouses.

Business Principles**Vision**

Charoen Pokphand Foods Public Company Limited and its subsidiaries' vision is to become "Kitchen of the World".

Mission

Charoen Pokphand Foods Public Company Limited and its subsidiaries or CPF operates integrated agro-industrial and food businesses as well as commits to providing products and services that are of high quality, nutritious, tasty, safe and traceable. CPF is dedicated to establishing businesses according to its strategic areas while placing importance on modern manufacturing processes in alignment with international standards. Based on appropriate use of resources and environmentally-friendly practices, CPF raises its competitiveness to be at the forefront of the industry and is able to generate appropriate returns to shareholders while paying heed to stakeholders in every sector, all of which shall lead to sustainable growth.

CPF Way

CPF strongly believes that to achieve predetermined vision and mission, its employees' attitudes and behaviors shall be unidirectional. Over the years, the corporate value or CPF Way has been cultivated as a key driver towards achieving the Company's common goal and plays an important role in motivating and retaining employees towards achieving performance excellence, building and maintaining customers' confidence and satisfaction, creating values for shareholders, business partners and society. CPF Way comprises the following six aspects as follows:

1. Three Benefits to Sustainability (for the country, for the people, and for the Company)

This refers to performing as a good corporate citizen, strictly conducting business in alignment with the principles of the three benefits as well as establishing values and interests for the countries at which the Company has run businesses, the people and the Company. Ultimately, aside from the Company, the employees and their family members shall be taken into account.

2. Speed & Quality

This aspect refers to thinking and acting quickly to gain a competitive advantage, proactive performance, and timely decision making while delivering high quality products and services beyond stakeholder expectations. In addition, CPF's employees shall commit to effective and efficient operations in parts they are responsible for or involve with in order to achieve maximum successes in their works and the organization's overall functions.

3. Simplification

Simplification refers to creation and improvement of operational processes and guidelines that lead to simplicities and standards at all times. These shall reduce complicated procedures and facilitate employees on performing and learning works, resulted in continued increases in efficiency and effectiveness.

4. Adapt to Change

Adapt to change means to understand and accept upcoming changes as well as to be aware of the need to change for public benefit, including an ability to analyze existing and potential factors and a readiness to rendering cooperation in operations that lead to change for the better and achieving goals.

5. Innovativeness

Innovativeness refers to an ability to initiate and identify new business opportunities and / or development works, as well as selections of systems, processes and operational methods, including uses of new technologies, all of which shall lead to success, progress and accomplishment of organizational goals.

6. Integrity, Honesty & Reciprocity

An employee should behave and perform duties based on integrity, honesty, transparency and sincerity, and strictly adhere to the policies, rules, regulations, morals, ethics and corporate values. An employee shall not conduct propaganda or deceive others.

Compliance with CPF Code of Conduct

1) Integrity

CPF is committed to conducting businesses based on moral principle and integrity and shall further adhere to its strong intention on business conduct according to principles of morality and ethics.

Therefore CPF's directors and employees shall uphold the principles and maintain ethical standards as routine of work and shall not violate relevant laws or take any actions that are contrary to integrity and honesty since they may cause excessive financial and reputational damages to CPF.

In addition, since CPF is a large organization and has conducted businesses globally, in case an event has been occurred and shown a lack of morality, whether it is true or just misunderstanding, it can affect reputation of CPF's all businesses. To avoid such situation, CPF therefore places importance on promoting knowledge to its directors and employees regarding duties and responsibilities in preventing improper operations or actions and having responsibilities for running businesses with integrity.

1.1 Avoidance of Conflict of Interest

CPF's directors and employees shall adhere to CPF's maximum benefit under legality and ethics and avoid any actions that may cause conflicts of interest between CPF's maximum benefit and personal benefits.

Conflict of Interest means a situation in which any directors and employees are in positions that may receive personal benefits due to any business actions or decisions for which they are responsible, whether directly or indirectly.

Practices

1. Employees shall not request, or accept, or agree to receive personal benefits, or taking any actions that may cause conflicts of interest. In the meantime, The Company's directors and employees shall make business decisions or executions based on CPF's maximum benefit.
2. Employees shall not work for or receive compensation for work performed from the Company's competitors or suppliers without permission from the management. Gaining such benefit must not be in conflict with efficient work performance for the Company, nor shall it be detrimental to CPF's business.

3. Employees shall not involve in the Company's business transactions that are made with persons related to the employees such as family members, close relatives, close persons even though such transactions are beneficial to CPF, unless they are specifically mentioned in CPF's policies or regulations.
4. Employees shall not use the Company's property and services to perform work other than that of the Company.
5. Employees shall report and disclose information about conflicts of interest occurred or may occur to superiors and / or the Company's internal audit office immediately.

1.2 Prevention of Fraud, Bribery and Corruption

CPF's businesses must be conducted in accordance with the law and all business operations must be transparent, verifiable and corruption-free. All directors and employees must not act or ignore any actions that may lead to corruption.

Fraud means an intentional act committed to secure unfair or unlawful gain for one's self or others (such as family, relatives, friends, etc.). Fraud can be classified into three types: corruption, misappropriation of assets and fraudulent statements.

Corruption means any form of bribery including an offer, promise, commitment, request, or acceptance of inappropriate money, assets or other benefits that are inappropriate for government officials, government organizations, private organizations, or any relevant persons in charge either directly or indirectly, in order that they perform or refrain from performing their duties so as to acquire or preserve a business, or introduce a business to any particular organization, or to acquire or preserve inappropriate business benefits. An exemption can only apply in cases where the permission of law, order, notification, regulation, local tradition, or trade custom is granted.

Asset Misappropriation means any actions leading to illegitimate possession of the Company's assets causing a loss of the Company's assets, opportunities or other benefits, for one's personal or for other's gains.

Fraudulent reporting means the intentional distortion of financial reports – for instance, financial statements and financial recordings – or non-financial reports, as to conceal misappropriation of assets or activities for one's personal and/or other's interest, resulting in misstatements in those reports and records.

Malfeasance means deceiving others by showing false statements or concealing true statements about the Company's facts that shall be informed. Subsequently, such deception leads to attaining asset of a victim or a third party or cause a victim or a third party to withdraw or destroy title document, resulting in damage or loss to the Company.

Practices

1. Employees shall reject all forms of fraud, bribery and corruption both directly and indirectly.
2. Employees shall be cautious when dealing with any persons or organizations that that have concerns of fraud.
3. In the event of experiencing persuasion or bribery or any fraudulent act, employees shall report the Company's internal audit office for acknowledgement immediately according to the reporting or whistleblowing mechanism specified in the Anti-corruption Policy or Whistleblowing Policy, whereas the employees reporting such wrongdoing shall receive protection provided by the Company.

1.3 Handling Gifts and Hospitality

Good relationships with third parties are important to CPF's business success. The Company's directors and employees shall maintain relationships based on appropriate mutual benefits.

Gift means anything of value provided as a courtesy, for support or as a donation intended as a reward to related business partners in order to build relationships in an appropriate manner with an appropriate value and in accordance with traditions and applicable laws.

Handling Gifts and Hospitality shall be done in accordance with following conditions:

1. Handling Gifts and Hospitality shall neither result in future obligations, nor affect directors and employees' decision making, nor include an implication that such "reward" is related to any business connection or decision made.
2. Handling Gifts and Hospitality shall be made appropriately in terms of financial values and nature of a relationship between a giver and a receiver.

Practices

1. A value of gift given and accepted shall not exceed 3,000 Baht while a hospitality shall be done appropriately in accordance with acceptable business practices or festival traditions.
2. Gift - giving and accepting and hospitality provided to government officials shall be examined and made correctly in accordance with traditions and laws of each country.
3. If it is necessary to accept a gift with a value exceeding 3,000 baht or over the limit prescribed by law, whichever is less, the Company's directors and employees shall record their acceptances of gifts in writing and notify superiors and / or the Internal Audit Office for acknowledgement.
4. Employees shall not accept gifts or hospitality that may cause influence or motivation effect on decision making and result in wrongful act in the performance of duties.
5. Employees shall not offer or accept any gifts or hospitality during procurement processes.
6. Regarding business reception, it shall be approved by superior related.

1.4 Fairtrade Competition

CPF believes that fairtrade competition is beneficial to business operators, trade partners and consumers. Therefore, CPF has conducted all businesses in compliance with antitrust laws.

Fairtrade Competition means each business operator is able to enter into the market as well as to set price or volume of goods or services without limitation under any terms or conditions, whether directly or indirectly, whereas the business is not intervened illegally and consumers or users are free to choose products or services according to their needs.

Practices

1. Employees representing the Company shall notify trade associations or industry associations of which CPF is a member regarding CPF's standpoint on anticompetitive practices.
2. Employees representing the Company shall not make any agreements with competitors or trade partners in the following manners:
 - 2.1 jointly determine prices or any commercial conditions, whether directly or indirectly,
 - 2.2 limit volumes of goods or services that each business operator shall produce, buy, sell, or provide,
 - 2.3 jointly offer a price or conduct collusive tendering,
 - 2.4 define an area in which each business operator shall sell or buy products or services,
 - 2.5 reduce qualities of the goods or services to be lower than those that had been produced or provided, and
 - 2.6 appoint sole distributor, resulting in reducing competition or monopolistic conduct.
3. Employees shall consult with the law firm of the Company in case of uncertainties whether any action is a barrier to trade.

1.5 Maintaining Transparency

Information accuracy and completeness are importance factors in achieving CPF's business success. Therefore, all CPF's directors and employees have duties and responsibilities to maintain precision, completeness and reliability of financial information or a wide range of business information.

Practices

1. Employees shall not conceal, falsify and modify information or conceal evidence, which may cause discrepancies in transactions or actual financial and non-financial results.
2. Employees shall not utter slander against the Company and shall communicate true facts which can be disclosed to the outside. In case of uncertainty whether any fact is true and able to be disclosed to outsiders, employees shall ask superiors first and foremost.
3. Employees shall inform superiors or Press Center through current communication channels or methods in case of finding incorrect information.
4. Employees assigned to represent the Company for signing documents shall never sign blank documents or incomplete contracts and shall not have counterparties sign onto blank documents or incomplete contracts.

2) Quality

As its priority, CPF has placed importance on every product and service's quality and safety. This commitment is not limited only to CPF's production chain; it covers value chains of all areas where CPF has operated businesses. In other words, it covers throughout a product life cycle from upstream to downstream or from raw material sources to consumers' hands.

2.1 Delivering quality products and services

With a deep understanding of customer needs and a focus on creating customer highest satisfaction, CPF therefore place emphasis on research and development of products and services' qualities to meet customer requirements globally. In alignment with its Food Quality and Safety Policy and Food Traceability Policy, CPF has complied with international food production standards and strict quality control.

Quality means products and services that can create customer satisfaction, and are safe for life and environmentally friendly. In addition, the qualities of products and services shall be in line with standards and laws of each country in which CPF has conducted businesses.

Practices

1. In case of finding that the qualities of goods and services are not in line with prescribed criteria or are likely to be lower than standards, which may affect safety and the Company's reliability, relevant employees shall notify superiors for acknowledgement and take immediate action to correct or recall such products. A product recall shall be made in compliance with the laws or greater than the laws imposed by each country.
2. All business units shall place importance on resolving complaints, whereas the executives shall review information regarding complaints management on a quarterly basis.
3. Relevant employees shall participate in communicating with customers through current channels to ensure their awareness and understanding on production quality standards throughout CPF's value chain which includes quality and sustainable management system.
4. Product safety and quality report shall be submitted to CPF Food Regulation Office.

2.2 Sustainable Resource Management

Recognizing values and importance of natural resources and environment, all of which are upstream factors and bases of integrated agro-industrial and food business operations, CPF therefore attaches great importance to responsible resource utilization and mitigating environmental impacts caused by continuing business operations. CPF is also committed to maintaining livability of animals and protecting the environment throughout the value chain.

CPF's sustainability commitment has been passed to its production process management, water management, energy management, waste management, use and management of chemicals, transportation, packaging and container, and greenhouse gas emissions, by adhering to principles for improving workplace efficiency and eco-efficiency.

In addition, CPF is committed to conducting businesses on the basis of proper principles and paying attention to animal welfare which directly relates to food quality and safety, and is also an important component of animal husbandry and responsible farming and food production according to CPF Animal welfare Policy.

Practices

1. Employees shall follow and abide by local and national laws, rules and regulations of every area where the Company has operated businesses.
2. All employees shall use resources efficiently by adopting the 4Rs principles including reduce, reuse, recycle and replenish on water, energy and waste management.
3. Employees shall report to superiors immediately in the event of experiencing any abnormality in the workplace that may affect the Company, employees, communities, and environment.
4. Relevant employees shall take part in promoting and driving business partners to operate businesses in accordance with the policy and practices related to CPF's sustainable resource management.
5. Operational information shall be disclosed transparently and communities and stakeholders shall be able to raise their opinions on issues that may affect the communities.

2.3 Ethics in Procurement

CPF has worked together with its business partners in order to deliver products and services to customers. Therefore, CPF has a responsibility to customers on ensuring that related persons in its supply chain have complied with ethical standards and quality requirements the same as the Company.

Purchasing means procuring or leasing according to the Company's operating procedures in order to obtain products and services required by various departments for being used in the Company's operations.

Ethics means good behavior and conscience, professional integrity and responsibility, as well as lawful conduct.

Practices

1. Relevant employees are responsible for establishing understanding and communicating principles, as well as providing information and advices to suppliers. Moreover, relevant employees shall provide necessary trainings about regulations and engagements with which all suppliers shall comply regularly and continuously in accordance with the regulations regarding the business partners prescribed in the Code of Conduct for Business Partners.
2. In case of being suspicious that any suppliers do not comply with quality standards required, employees shall report to superiors for acknowledgment and notify Compliance Division or conduct whistleblowing in writing through agencies and channels for receiving clues in accordance with the Whistleblowing Policy.
3. Employees shall treat all suppliers with equitability and fairness in business dealings. Employees shall respect and treat suppliers as if they were CPF's trade partners.
4. Supplier selection shall be conducted without prejudice in accordance with CPF's principle of maximum benefit.
5. Employees are prohibited from accepting any benefit from the parties about to be selected as CPF's suppliers, which may lead to partiality in decision making.

2.4 Responsible Sales and Marketing

Appropriate, accurate, and complete information is essential part in building customer trust in CPF products and services. CPF shall not tolerate misleading statements that cause misunderstandings, and omitting significant information or providing incorrect information about competitors or suppliers' offers. In addition, CPF shall offer products and services honestly as well as provide adequate information to support customer decisions without attempting to convey advertising message aiming at sales promotion excessively.

Practices

1. Relevant employees shall constantly pay attention to customers, honestly offer products and services, provide accurate and complete information on products and services to support customers' purchase decisions, and focus on building long term relationships being recognized by customers according to business law and ethics.
2. To conduct any sales promotion, advertising and communication on behalf of CPF, employees shall not provide inaccurate information that may cause misunderstandings. Employees shall explain about relevant facts and information honestly and transparently as well as comply with relevant laws and regulations of each country by taking into account cultural and traditional sensitivities that differ in each country.

3) People

CPF believes that a strong business foundation is made up of directors and internal workforces who possess knowledge, abilities and expertise as well as recognize the importance of their roles, duties, and values. If the Company's directors and employees work successfully and achieve their goals, the Company's business shall be successful and achieve goals as well. These matters can happen when the Company treats everyone with dignity and respect. Moreover, mutual respect and success principles also cover CPF's customers, business partners and stakeholders, all of whom are considered significant parts supporting the Company in inclusive growth, acceptance of change and business conduct with integrity, honesty and sincerity.

3.1 Promoting Mutual Respect and Fair Treatment

CPF adheres to treating employees according to the law with equality and fairness and without discrimination and infringement of personal rights and freedoms, both directly and indirectly.

Practices

1. Employees shall be cautious about actions or expression of opinions which may cause misunderstanding to others in issues related to inequality, discrimination or harassment, both directly and indirectly
2. All employees shall take part in deterrence and shall not take any actions considered oppression as well as physical and verbal insults that may cause resentment or fear.
3. All employees shall contribute to creating an atmosphere that is free from threats according to the laws and customary definitions prescribed in each establishment and of each country.
4. Employees shall conduct whistleblowing in accordance with the Whistleblowing Policy on issues that are related to violations or suspected actions that are against ethical standards.

3.2 Promoting Equal Opportunity, Diversity and Inclusion

CPF provides equal opportunities for employees while adhering to and promoting basic human rights in all businesses and all employment throughout its value chains. CPF believes that diversity and coexistence of employees with a sense of ownership are strengths. These are used as standards in human resources management including employment, human resource development, performance appraisal, promotion, discipline, compensation and termination of employment, all of which ensure that CPF's work environment has covered differences in origin, education, gender or gender identity, sexual orientation, race, nationality, work style and concept, religion, age, generation and disability. CPF also adheres to and complies with labor laws.

Practices

1. Employees experiencing discrimination, harassment or other inappropriate circumstances that occur directly to one's self or others shall report to superiors and representatives of the Human Resources Department or through any other channels determined in the Non-Discrimination Policy and the Whistleblowing Policy. Employees reporting discrimination and harassment shall be protected by the Company while such employees' reputations and works shall not be affected.

2. Employees shall accept different opinions and support colleagues as well as learn and accept suggestions, including listening to other people's problems.
3. Employees who are responsible for making hiring decisions shall consider based on skills necessary for works by taking into account each individual's qualifications, experience , and other requirements that are necessary to works. Employees shall perform as such without discrimination, regardless of skin color, ethnicity, nationality, gender or gender identity, sexual orientation, age, religion, disability, birthplace, educational institution, and other statuses that are protected and determined by laws or any other statuses that are not directly related to working.
4. Employees shall not discriminate on the grounds of differences in origin, education, gender or gender identity, sexual orientation, race, nationality, work style and concept, religion, age, generation and disability.

3.3 Personal Information Protection

CPF places importance on and respect the rights to privacy of information owners including CPF's employees, customers, business partners, business competitors and stakeholders. Therefore, in collecting, using or disclosing personal information, CPF and its employees shall strictly comply with the personal information protection law.

Personal Data Protection Act means applicable law on protections of personal information or privacy, with which the Company and/or its subsidiaries have conducted businesses or have related transactions.

Personal Data means information about a natural person, which makes it possible to identify such person, whether directly or indirectly, such as first name, last name, address, phone number, and email address, etc.

Data Subject means a natural person whose personal information, whether directly or indirectly, can makes it possible to identify such person whether he / she is CPF's employees, customer, business partners, business competitors and stakeholders.

Practices

1. Employees shall collect personal information as much as necessary under purpose according to the law.
2. In collecting any personal information, responsible employees have duties to inform information owners about details of such collections, use, or disclosure of personal information (privacy notice), unless information owners have already known about such details.
3. Employees shall collect, use, or disclose personal information according to objectives being consented by information owners or according to the objectives prescribed in personal data protection law.
4. CPF has appropriate security measures to prevent loss, access, use, change, or disclosure of personal information illegally and to ensure that personal information is accurate, complete and up to date.
5. CPF's employees shall strictly comply with CPF's security measures and personal data protection law.
6. CPF and employees shall perform cording to information owners' requests to exercise their rights as prescribed in personal data protection law.

3.4 Occupational Health and Safety Management in the Workplace

CPF focuses on safety and occupational health in the workplace for employees, business partners and visitors, including members of communities in which CPF has operated businesses.

Practices

1. All employees have duties to maintain their establishments to ensure safety and sanitary.
2. All employees shall continuously comply with laws and regulations related to improvement of safety and occupational health efficiency.
3. All employees shall place importance on creating a safe and healthy workplace environment, including having received sufficient training in order to be able to comply with the laws and regulations related to safety and occupational health as well as to develop systems and practices continuously.

4. Employees encountering hazards or operators or objects probably causing hazards in their workplaces shall make immediate report to superiors accordingly.
5. Employees are prohibited from engaging in violent acts or causing dangers to others or other persons' properties, possessing, hiding, or using any weapons within the workplaces (violence, threats and weapons).
6. Employees shall not work while being in a drunken state due to effects of drugs, intoxicants or other addictive substances

3.5 Human Resource Development

CPF promotes learning organization, values employees and provides them with opportunities to develop talents to professionals and to work for organization with all their capacities. CPF also encourages employees to work together as a team.

Practices

1. Employees at all levels have equal opportunities to access to knowledge and skills development.
2. All employees are responsible for continuous self-development in order to improve work efficiency.
3. Supervisors shall place emphasis on human resource development, whether by any learning processes as appropriate in accordance with positions and career paths, and provide employees with opportunities for developing their knowledge and skills to become professionals.

4) Assets

Employees shall be responsible for and use the Company's assets efficiently for greatest benefit as well as maintain assets to avoid damage, loss, and personal use. In addition, use of the Company's assets improperly or for any operations that are not related to the Company's businesses are prohibited.

Property means articles that are worth and valuable for CPF, including articles relating to information processing by which CPF owned, hired, developed and purchased, all of which are categorized into information, software, tangible property, basic utility services, personnel, and intangible property.

Intellectual property means works that are invented or created by humans, which emphasize on products derived from intelligence and expertise, regardless of types of creation or methods of expression; for instance, patents, petty patents, copyrights, trademarks, trade secrets, food recipes, bodies of knowledge, or any other information.

All employees have duties to protect and look after CPF's intellectual property and shall not use or disseminate it without permission. In the meantime, in case of third party's works or information received or to be used within the Company, employees shall examine that doing as such will not lead to intellectual property infringement

4.1 Corporate Information Management

CPF recognizes the importance of internal information management. Under good corporate governance, CPF's information security is a significant factor for conducting businesses towards success and achieving goals. CPF has determined direction, principle and framework for regulations regarding information property protection to avoid threats that may cause damage to confidentiality as well as accuracies, completeness and readiness of data and information system. All information records and reports must be accurate, complete and in accordance with CPF's criteria and the law. In addition, data retention is carried out to ensure safe condition, whereas it can be used as reference or for the benefits of CPF when needed.

Information means assets in forms of database and information files, contract and agreement, documents and work manuals, research information, user guides, training documents, work procedures, business continuity plan, documents for review and backups.

Practices

1. Superiors shall supervise employees to record information correctly, completely and timely by complying with the rules of CPF or the regulatory authorities.
2. All employees shall report information accurately and straightforwardly according to matters of fact.
3. Superiors shall provide information or rights to access information to groups that shall need to know such information only.
4. Relevant employees shall take charge of important documents and confidential information by using specific methods determined, including ensuring that both CPF's internal information and business related persons' information are stored safely and appropriately.
5. Relevant employees shall comply with data retention criteria in terms of schedule and in accordance with CPF's criteria and the law.
6. After the end of data retention period, relevant employees shall arrange appropriate information destruction for each type of information or document.

4.2 Insider Trading

CPF realizes the importance of enhancing equality of shareholders, investors and stakeholders in obtaining the Company's information. CPF therefore imposed the Internal Information Management and Disclosure Policy in order to provide clear and correct material information about changes in price or value of securities to the public in a timely manner and in accordance with the law, and to have appropriate measures on retention of such information while the Company still has not disclosed it to the public, whereas such measures shall be complied by all CPF's directors and employees in the same direction. Use of inside information for securities trading is illegal and ethical. In this regard, the inside information includes the information of the companies relating to or doing business with CPF.

Internal information means information that has not been disclosed to the public, which is crucial for changes in prices or values of CPF's securities.

Inside information regarding operations, events or securities trading conditions affecting securities trading prices or investment decisions or benefits of shareholders in accordance with the regulations of the Stock Exchange of Thailand are included:

1. the date of the ordinary meeting or the extraordinary shareholders' meeting of the Company, the closing date of the share registration book or the date for determining the list of shareholders for the shareholders' meeting or any rights given to shareholders,
2. capital increase or allocation of newly issued shares,
3. change of shareholding structure of the Company's major shareholder, which results in the Company's change of control,
4. paying or not paying dividend or change of dividend payment policy,
5. acquisition or disposal of securities or investment projects with significant values, and
6. any other information that has or will affect rights and benefits off securities holders or investment decisions or changes in prices of list securities of the Company.

Practices

1. Employees shall not use inside information for their personal advantage on trading CPF's securities at any period of time.
2. Employees shall not give advices or opinions on trading securities of the Company by using inside information.
3. Employees shall not forward or provide inside information to a third party who may use it for making investment decisions.
4. CPF's directors and employees have duties to study and strictly comply with the Company's rules and regulations regarding securities trading.

4.3 Anti-money Laundering

CPF is committed to preventing the Company from being a source of money laundering in every country in which CPF has conducted businesses. CPF has legally prepared and supervised all areas of accounts or assets. Moreover, to protect its businesses from being involved in any illegal activities, both deliberately and unintentionally, the Corporate Group's accounting documents and other documents therefore shall accurately describe nature of businesses and transactions.

CPF has complied with the rules and laws related to money laundering prevention at the national and international levels. CPF shall not receive or change asset condition or support receipt or transfer or change of asset condition, which is related to an offense in order to conceal the source of asset obtained illegally.

Money laundering means changing money or asset obtained from an offense or acquired unlawfully into money or asset acquired correctly.

Practices

1. Relevant employees shall check matters of facts about business partners before starting transactions by having understanding and following supplier identification procedures.
2. In case of experiencing unusual transactions, employees shall report to the law office or according to the channels specified in the Whistleblowing Policy for consideration prior to proceeding.
3. In the event that the business partners are found to be related to political parties or have similar past records, employees shall notify the law office immediately.

Compliance with Laws and Regulations

CPF strongly request that all directors and employees shall comply with relevant laws and regulations, all of which are imposed and / or supervised by external agencies and internal departments, as well as strictly comply with this CPF Code of Conduct in order to ensure that CPF's business operations are based on legality and healthy, environmental and social responsibility.

Being pressured by competitors, competitive environment or market demand shall not lead to violation cause or any operation that is not in compliance with relevant laws and regulations and / or this CPF Code of Conduct.

If CPF's directors and employees experience any actions that are against the laws, rules and this CPF Code of Conduct, such directors and employees shall report to relevant authorities as soon as possible. Moreover, relevant units shall further report to the Company's Compliance Department or report in accordance with the Whistleblowing Policy

To conduct overseas business operations, whether setting up a company, factory, branch office, joint venture or any transaction of CPF, employees shall strictly comply with the laws and regulations of each country. Moreover, employees shall take into account the environment, customs, and traditions of each area in such country as well.

Overseeing Compliance

Reporting the Code of Conduct Violations

The Company's employees have duties and responsibilities to report clues or complaints to superiors or designated persons through channels specified in the Whistle Blowing Policy in case of experiencing or suspecting any incidents as:

- 1) ethics violation or suspected ethics violation or inappropriate activity occurred to the Company,
- 2) any action that may cause improper influence, intimidation, or any manipulation that may lead to suspicion of the independence of the auditor or the internal auditor in matters relevant to financial reports, various processes, or internal control, and
- 3) any doubt about financial and operational performance presentations, or discovery of the Company's copyright or intellectual property infringement.

All directors and employees must acknowledge, understand and strictly comply with this CPF Code of Conduct. Every employee must be honoured and respected and must not be retaliated harshly, threatened or harassed due to his/her reporting in good faith on issues related to violations of laws, ethics or regulations.

Penalties for the CPF Code of Conduct Violations

The executives or designated persons shall be responsible for monitoring and overseeing employees' ethical compliances, evaluating information, investigating employees' ethics violations and reporting to the Audit Committee and the Company's directors for further consideration and proceeding.

An employee who has breached this CPF Code of Conduct shall be treated seriously and may be subject to appropriate disciplinary action, namely warning, suspension, termination of employment, and others as appropriate.

Acknowledgment and Compliance Letter

Charoen Pokphand Foods Public Company Limited and Its Subsidiaries

Date / Month / Year

.....

I am, Mr. / Mrs. / Ms. Company.....
acknowledge, agree, adhere to and comply with this "CPF Code of Conduct".

I realize that if I take any action which violates this "CPF Code of Conduct", it will result in disciplinary action as appropriate for the case.

Sign

.....

(.....)