

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 2089  
**COMPANY NAME** : United Plantations Berhad  
**FINANCIAL YEAR** : December 31, 2022

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board of Directors of the Company recognizes the importance of good corporate governance and continues to be committed to ensure that high standards of corporate governance are practiced throughout the Group to deliver long term sustainable value to the shareholders and other stakeholders.</p> <p><b>1. Establish Clear Roles and Responsibilities</b></p> <p><b>1.1 Clear Functions of The Board and Management</b></p> <p>The Board is responsible for the oversight and stewardship of the Group. There is clear division of functions between the Board and Management. In order to effectively discharge its duties, the Board has established a governance framework which provides an overview of the corporate governance processes and responsibilities within the Group.</p> <div data-bbox="432 1429 1374 1957" data-label="Diagram"> <pre> graph TD     Board[Board of Directors]     ARCA[Audit &amp; Risk Committee]     RemCom[Remuneration Committee]     EXCOM[Executive Committee EXCOM]     NomCom[Nomination Committee]     ExtAudit[External Audit]     IntAudit[Internal Audit]     RiskCom[Risk Management Committee]     GSCom[Group Sustainability Committee]     InHouse[In-house]     External[External]      Board --&gt; ARCA     Board --&gt; RemCom     Board --&gt; EXCOM     Board --&gt; NomCom     ARCA --&gt; ExtAudit     ARCA --&gt; IntAudit     IntAudit --&gt; InHouse     IntAudit --&gt; External     EXCOM --&gt; RiskCom     EXCOM --&gt; GSCom       </pre> </div>

## 1.2 Board Roles and Responsibilities

The duties and responsibilities of the Board of Directors are clearly spelt out in the Board Charter. In summary, the Board had assumed the following stewardship responsibilities in furtherance of its duties during the financial year 2022:

- i) Reviewed and adopted the strategic plan, both short term and long term, for the Group; reviewed and deliberated new investment proposals (both equity and expansion) by the Executive Committee before making a decision;
- ii) Approve and monitor the progress of major capital expenditure;
- iii) Oversaw and evaluated the conduct of the Group's business based on the monthly and quarterly financial and other reports prepared by management and concluded that the business is being managed sustainably with regards to the economic, social and environmental aspects;
- iv) Identified principal risks and ensured that appropriate systems were implemented to manage these risks as far as practicable;
- v) Reviewed the Sustainability Report and were satisfied that the report reflects the Risks and Opportunities identified through stakeholder engagement and internal deliberation by the Group Sustainability Committee;
- vi) Reviewed succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- vii) Ensured that the investor relations programme and shareholder communications policy for the Company were implemented effectively;
- viii) Reviewed the efficiency and quality of Group's financial reporting process as well as the adequacy and the integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines and were satisfied that the internal control systems and information systems were adequate in all material aspects and that the Group complied with applicable laws and regulations;
- ix) Reviewed the proposed dividends with the guidance of Dividend Policy and ensured that they commensurate with the performance of the company and meet the expectations of the shareholders;
- x) Reviewed the circular to shareholders and ensured that it complies with applicable rules on disclosure of information;
- xi) Reviewed the interim financial statements and the annual report

and satisfied that the financial statements and the contents of the annual report reflected the true and fair view of the financial position and results of the group and presented its activities accurately.

### **1.3 Code of Ethics and Governance**

UP has a zero-tolerance to fraud, bribery, and corruption and this applies to all dealings by our directors, employees, suppliers, consultants, agents and any persons associated with UP.

The Group's Code of Ethics and Governance ("EG Code) for directors and employees continues to govern the standards of ethics and good conduct expected of directors and employees. With the announcement that corporate liability as provided under Section 17A MACC Amendment Act 2018 (17A Act) which came into force on 1 June 2020, the EG Code was last revised in December 2019 to incorporate anti-corruption policies and introduction of adequate procedures. These were communicated to the Directors, the employees the contractors, agents, suppliers, consultants and any other associated persons as defined under the 17A Act. The revised EG Code had been uploaded onto the Company's website.

The other measures taken to be in compliance with the 17A Act are summarised as follows:-

- UP as a responsible corporate citizen has been and shall continue to give scholarships and donations to deserving cases on the condition that this is not corruptly given as defined under Section 17 A (1) of the MACC Amendment Act 2018. However, UP has a general policy of not giving political contributions to any political parties or candidates.
- UP does not prohibit the giving of meals and gifts in the course of business dealings as long as these are of reasonable value, not in cash and are not corruptly given.
- Corruption and bribery risk assessment was done and adequate procedures have been put in place to minimize the exposure to the Group. This risk like all other identified risks shall be periodically assessed and reported in the Statement on Risk Management and Internal Control.
- Directors and officers have been sent for training to familiarize themselves with S17A MACC Amendment Act (2018). In-house anti-bribery training has been and will continue to be conducted in all operating units. Associated persons like contractors, agents, consultants, suppliers with bribery risk have been made aware and they have undertaken to comply with this Policy.

- The Internal Audit Manager has been appointed as the competent person responsible for anti-corruption compliance matters and he is to report all his findings on this area to the Chairman of the Audit and Risk Committee who is an independent director. The Chairman of the Audit and Risk Committee shall after deliberation at the Audit and Risk Committee report the findings to the Board.

In addition to the above, all directors and employees who are vested with approval authorities on purchasing or enter into trades are to declare in the Annual Conflict of Interest Statement their compliance with the section of Conflict of Interest under this Policy.

For more information on our Code of Conduct and Business Ethics, please refer to our website, [www.unitedplantations.com/sustainability](http://www.unitedplantations.com/sustainability).

In line with the amendments to the Main Market Listing Requirements, the Board has on 13 July 2022 adopted the Fit and Proper Policy (Policy). This Policy is to be read in conjunction with the Board Charter and serves as a guide to the Board and Nomination Committee in the following assessments:

- i) Existing Directors of the Company and its subsidiaries seeking for re-election/re-appointment or whenever the Company becomes aware of information that may materially compromise a person's fitness and propriety; and
- ii) Candidates identified to be elected or appointed as Directors of the Company and its subsidiaries.

The Policy is available on the Company's website, [www.unitedplantations.com](http://www.unitedplantations.com).

In the pursuit of high standards of ethical, moral and legal business conduct, the Group's Whistle Blower policy aims to provide an avenue for employees, that they will be protected from reprisals or victimization for whistle blowing and seeks to foster an environment of integrity and ethical behavior, and any illegal or improper action in the Group which may be exposed. In the financial year 2020, no complain was received.

For more information on our Whistleblower Policy, please refer to [www.unitedplantations.com/sustainability](http://www.unitedplantations.com/sustainability).

#### **1.4 Sustainability of Business**

The Board promotes sustainable business practices covering economic, social and environmental aspects, which are strongly believed to translate into better corporate performance.

**1.5 Access to Information and Advice**

All the directors are supplied with all information within the Company and the Group in a timely manner. The information is not only financial relating to performance but goes beyond. The Company Secretary, upon the instructions of the Chairman and the Chief Executive Director, will prepare the agenda and organize the information relating thereto in the Board files to be dealt with at the Board Meetings. The Board files are sent out to all directors not less than 3 working days before the Board Meetings.

The Company's monthly management accounts are sent to all Board members latest by the 20th day of the following month. In addition, monthly management accounts of key subsidiaries are sent to all the members of the Audit and Risk Committee.

The proceedings of all Board and Committee meetings are minuted by the Company Secretary for confirmation at the next Board/Committee Meetings. All minutes of the Board committees are circulated to all members of the Board.

There are procedures in place for non-executive directors to obtain information from management. All directors have access to the services and the advice of the Company Secretary. The Board acknowledges the need for a competent Company Secretary to carry out the duties to which the post entails as well as to provide strong support to the Chairman to ensure its effective functioning.

The Board has access to professional advice from third parties in furtherance of their duties in accordance with the Company's established procedures.

<b>Explanation for departure</b> :	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :	
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<b>Timeframe</b> :		
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### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The roles of the Chairman:-</p> <ol style="list-style-type: none"><li>a) The Chairman acts as an informal link between the Board and Management and particularly between the Board and the CED.</li><li>b) The Chairman expects to be kept informed by the CED of all important matters and makes himself available to the CED, to enable the Chairman:<ul style="list-style-type: none"><li>● to be part of the control mechanism in ensuring that the CED's decisions are appropriately considered and sound; and</li><li>● to give assistance and advice, when needed, especially on sensitive matters which the CED is unable to discuss with other executives.</li></ul></li><li>c) The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. The Chairman is primarily responsible for:<ul style="list-style-type: none"><li>● providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;</li><li>● participating in the selection of Board members and ensuring that the Board Composition is properly balanced;</li><li>● representing the Board to shareholders and to be the spokesperson at the Annual General Meeting ("AGM"), in a way that supports the role of the CED in reporting operational and public relations matters;</li><li>● ensuring the integrity and effectiveness of the governance process;</li><li>● maintaining regular dialogue with the CED over all operational matters and consulting with the remainder of the Board members promptly over any matter that gives</li></ul></li></ol>

	<p>the Chairman cause for major concern;</p> <ul style="list-style-type: none"> <li>● leading the role in presenting the Company's cause, whether formally or informally, with the authorities, institutional or potential investors and those having influence over the environment in which the Company operates;</li> <li>● functioning as a facilitator at meetings of the Board to ensure that no Director, whether Executive or Non-Executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming. The Chairman shall ensure that discussions result in logical and understandable outcomes;</li> <li>● ensuring that all Directors are enabled and encouraged to participate at Board meetings. This includes ensuring that all relevant issues are on the agenda in conjunction with the CED and Company Secretary, and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;</li> <li>● reviewing the minutes of meetings of the Board before the meeting, to ensure they accurately reflect the Board's deliberations and that matters arising from the minutes and reflecting further action have been addressed;</li> <li>● guiding and mediating the Board's actions with respect to organisational priorities and governance concerns;</li> <li>● initiating, normally in conjunction with the CED, the formulation of a business plan to ensure that the Board establishes at the beginning of each year the goals it wishes to achieve and the means by which this will be carried out;</li> <li>● initiating the establishment of Board Committees and ensuring that they achieve their objectives; and</li> <li>● performing other responsibilities as assigned by the Board from time to time.</li> </ul>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	



<b>Measure</b> :	
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<b>Timeframe</b> :		
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**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.3**

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to promote accountability and facilitate the division of responsibility.</p> <p>For this purpose, the position of Chairman is held by Dato' Mohammad Nasir bin Ab. Latif who is an Independent Non-Executive Director of the Board while, the position of CED is held by Dato' Carl Bek-Nielsen who is an Executive Director of the Board.</p> <p>The responsibilities of the Chairman include leading the Board in its collective oversight of management, while the CED focuses on the business and day-to-day management of the Group. This division is clearly defined in the Board Charter.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit and Risk Committee, Nomination Committee or Remuneration Committee

*Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.*

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Chairman of the Board, Dato' Mohammad Nasir bin Ab. Latif is also the Chairman of Nomination Committee and Remuneration Committee. Both committees are supported by two independent directors Dato' J.D.C. Diamond and Mr R Nadarajan.	
	:	The Chairman is conscious of his differing roles in the Board, in the Nomination Committee and Remuneration Committee. All issues before recommending to the Board are thoroughly deliberated at the committee levels which involved the participation of the other two independent directors. All recommendations by the Committees to the Board have been arrived at unanimously and this would have eliminated the risk of self-review.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Company after review intends to maintain current practice.	
<b>Timeframe</b>	:	Others	The Company will continue to review the need for application of this Practice on an annual basis

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Board Committees have unrestricted access to the advice and services of the Company Secretary. Mr Ng Eng Ho who has been in various positions of the Group for 25 years. He is a member of the Malaysian Institute of Accountants and is therefore qualified to act as company secretary. The Board is satisfied with the performance and support rendered by the Company Secretary in the discharge of its duties effectively. The Company Secretary plays an advisory role to the Board in relation to Group policies and procedures, compliance with regulatory requirements, codes and guidelines. The Company Secretary also facilitates directors' training.</p> <p>The Company Secretary attended all the Board and Board Committee meetings held in financial year 2022. He also undertook continuous professional development in 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary ensures that all meeting materials are sent to the Board members 3 working days before the meeting to ensure that they have sufficient time to go through the papers.</p> <p>Meetings are properly convened and accurate and proper records of the proceedings and resolutions are minuted and subsequently distributed to the members of the Board and Board Committees, and where relevant, the Company Secretary communicates decisions and policies made by the Board to the Management in a timely manner to ensure appropriate execution.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter which documents the policies that the Board has adopted in relation to its responsibilities, governance and leadership is published on the Company's website at <a href="http://www.unitedplantations.com">www.unitedplantations.com</a>.</p> <p>The Board Charter addresses, among others, the following matters:-</p> <ul style="list-style-type: none"><li>• Role and responsibilities of the Board;</li><li>• Composition, Board balance and Board diversity;</li><li>• The roles of Chairman and Chief Executive Director;</li><li>• Supply of information and Board meetings;</li><li>• Matters reserved for the Board;</li><li>• Board effectiveness evaluation;</li><li>• Board Committees; and</li><li>• Communication with stakeholders.</li></ul> <p>The Board Charter was last reviewed by the Board on 26 April 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

**Practice 3.1**

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
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## Intended Outcome

<p><b>Explanation on application of the practice</b></p>	<p>: UP has a zero-tolerance to fraud, bribery, and corruption and this applies to all dealings by our directors, employees, suppliers, consultants, agents and any persons associated with UP.</p> <p>The Group's Code of Ethics and Governance ("EG Code) for directors and employees continues to govern the standards of ethics and good conduct expected of directors and employees. With the announcement that corporate liability as provided under Section 17A MACC Amendment Act 2018 (17A Act) which came into force on 1 June 2020, the EG Code was revised in December 2019 to incorporate anti-corruption policies and introduction of adequate procedures. These were communicated to the Directors, the employees the contractors, agents, suppliers, consultants and any other associated persons as defined under the 17A Act. The revised EG Code had been uploaded onto the Company's website.</p> <p>The other measures taken to be in compliance with the 17A Act are summarised as follows:-</p> <ul style="list-style-type: none"><li>● UP as a responsible corporate citizen has been and shall continue to give scholarships and donations to deserving cases on the condition that this is not corruptly given as defined under Section 17 A (1) of the MACC Amendment Act 2018. However, UP has a general policy of not giving political contributions to any political parties or candidates.</li><li>● UP does not prohibit the giving of meals and gifts in the course of business dealings as long as these are of reasonable value, not in cash and are not corruptly given.</li><li>● Corruption and bribery risk assessment was done and adequate procedures have been put in place to minimize the exposure to the Group. This risk like all other identified risks shall be periodically assessed and reported in the Statement on Risk Management and Internal Control.</li><li>● Directors and officers have been sent for training to familiarize themselves with S17A MACC Amendment Act (2018). In-house anti-bribery training has been and will continue to be conducted in all operating units. Associated persons like contractors, agents, consultants,</li></ul>
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	<p>suppliers with bribery risk have been made aware and they have undertaken to comply with this Policy.</p> <ul style="list-style-type: none"> <li>• The Internal Audit Manager has been appointed as the competent person responsible for anti-corruption compliance matters and he is to report all his findings on this area to the Chairman of the Audit and Risk Committee who is an independent director. The Chairman of the Audit and Risk Committee shall after deliberation at the Audit and Risk Committee report the findings to the Board.</li> </ul> <p>In addition to the above, all directors and employees who are vested with approval authorities on purchasing or enter into trades are to declare in the Annual Conflict of Interest Statement their compliance with the section of Conflict of Interest under this Policy.</p> <p>For more information on our Code of Conduct and Business Ethics, please refer to our website, <a href="http://www.unitedplantations.com/sustainability">www.unitedplantations.com/sustainability</a>.</p>
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<b>Explanation for departure</b> :		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

**Practice 3.2**

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In the pursuit of high standards of ethical, moral and legal business conduct, the Group’s Whistle Blower policy aims to provide an avenue for employees, that they will be protected from reprisals or victimization for whistle blowing and seeks to foster an environment of integrity and ethical behaviour, and any illegal or improper action in the Group which may be exposed. In the financial year 2022, no complaints were received.</p> <p>For more information on our Whistleblower Policy, please refer to <a href="http://www.unitedplantations.com/sustainability">www.unitedplantations.com/sustainability</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.1**

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>: The Company being the first RSPO palm oil producer in 2008 has always taken into account sustainability considerations in its strategies, business plans, major plans of action and risk management. All material sustainability matters are driven by the CED assisted by the other members of the Executive Committee as in the Sustainability Governance Management Structure as shown below:-</p> <p style="text-align: center;"><b>Sustainability Governance Management Structure</b></p> <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <pre> graph TD     A[Board of Directors] &lt;--&gt; B[CED &amp; Executive Committee]     B &lt;--&gt; C[Group Sustainability Reporting Team]     B &lt;--&gt; D[Group Sustainability Committee]     C &lt;--&gt; D     D &lt;--&gt; E[Various sub-committees and business units]             </pre> <p><b>Board of Directors</b> Responsible for:</p> <ul style="list-style-type: none"> <li>• Approval of policies</li> <li>• Ultimate supervision of UP's Sustainability performance</li> </ul> <p><b>CED &amp; Executive Committee</b> Responsible for:</p> <ul style="list-style-type: none"> <li>• Formulating sustainability strategy policies and goals</li> <li>• Discussing sustainability issues</li> <li>• UP's sustainability performance</li> <li>• Sustainability Report</li> </ul> <p><b>Group Sustainability Committee</b> Responsible for:</p> <ul style="list-style-type: none"> <li>• Maintaining sustainability performance across the Group</li> <li>• Stakeholders engagement</li> <li>• Raising awareness among employees</li> <li>• Helping management to ensure that sustainability standards are consistent across the Group</li> </ul> </div> <p>Please refer to page 88 for detailed explanation on how the Board and management take into consideration sustainability in discharging their duties in managing the company businesses.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>: The Board in addressing the company sustainability risks and opportunities ensures that the Company’s sustainability strategies, priorities and targets as well as these targets are communicated to its internal and external stakeholders via the Group Sustainability Systems Framework (GSSF) as shown below.</p> <div data-bbox="539 831 1374 1451" data-label="Diagram"> <p>The diagram, titled "Group Sustainability System Framework (GSSF)", is structured into four main stages: LEADERSHIP, PLANNING, ENABLERS, and RESULTS. It is further divided into External and Internal components.</p> <ul style="list-style-type: none"> <li><b>LEADERSHIP:</b> Includes the Chief Executive Director (CED) &amp; ExCOM and the Group Sustainability Committee. Internal elements include CSR, Values, R &amp; D, HR &amp; Safety, Resources, Environment, Innovations, OSHA, Human Rights, Code of Conduct &amp; Business Ethic.</li> <li><b>PLANNING:</b> Involves Strategic Plans. External elements include Regulations, Customers, Suppliers, Community, Shareholders, NGOs, and External Risk Analysis. Internal elements include Vision, Annual Goals, Projects, Budgets, Quality Culture, Safety &amp; Health Culture, Social Commitment, Environment, Economic Returns, and Internal Risk Analysis.</li> <li><b>ENABLERS:</b> Focuses on the Business Process. External elements include the Group Sustainability Committee, Biodiversity Team, MSPO, ISPO, RSPO Business Units, OSHA Committees, Guest Workers' Welfare Committees, and Gender Committees. Internal elements include Stakeholders/Smallholders' Committee and Risk Management Committee.</li> <li><b>RESULTS:</b> Shows the Business Result, leading to a Sustainability Report with Targets &amp; Achievements, Customer Satisfaction, Awards/Certifications, Financial Performance, Safety Performance, Environment &amp; Social Impact Assessments, and Stakeholders/Smallholders Dialogue.</li> </ul> </div> <p>The Company has in 2022 based on the above framework undertaken various stakeholder engagements and these are reported under pages 88 to 91 of the Annual Report.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>

<b>Timeframe</b>	:		
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**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company and the Board has been ahead of the curve on sustainability issues by being the first RSPO palm oil producer in 2008 and reduced CHG emission by 62% per MT of refined palm oil produced during the period from 2004 to 2022. Notwithstanding these achievements, the Company is exploring further improvement in conducting its business in a more sustainable manner benefiting all stakeholders.</p> <p>The Company has a long history of sustainability practises and these are the efforts of its past directors and current directors who are well versed and up-to-date on global sustainability issues.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of sustainability in all its business operation and had included sustainability as one of the criteria in the performance evaluations of all employees including its board members.</p> <p>The Nomination Committee had evaluated the performance of the Company on various aspects of sustainability and concluded that the Senior Management had performed well in ensuring that sustainability was “built in” and not just “bolted on” in its operation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### **Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### **Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	The CED is the designated person on sustainability. In 2022, he together with the Board was exploring ways to further improve the sustainability practices including carbon footprint reduction in the company operation.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee regularly assesses the experience, the tenure, and diversity required collectively for the Board and ensures that it is periodically refreshed so that it can discharge its duties effectively.</p> <p>In 2022, Mr. Ahmad Riza who has served the Board for 21 years decided to step down from the Board after the AGM in 2022. Mr. Yap Seng Chong was appointed to the Board as an independent director on 26 April 2022.</p> <p>Nomination Committee annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>5 out of the 11 directors or 45.9% of the Board are independent directors</p> <p>The Board despite not having more than 50% of its members comprising of Independent Directors, have been effective and always have the independence element in decision making as spelt out under the Code. The Chairman of the Board is an Independent Director and he has a casting vote in case of an equality of votes, hence the intended outcome for board decisions to be made objectively in the best interest of the company is still achieved. In the past years, all major decisions of the Board have been unanimously agreed upon after due deliberation.</p> <p>The Board comprises of eight (8) non-executive directors and three (3) executive directors. This composition of more non-executive directors is to provide a further check and balance to the decisions of the Executive Directors, allowing for more effective oversight of Management besides ensuring that the interests of all shareholders and stakeholders are taken into account.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<p>The Board had in the 2018 CG report set the target timeline of three years, i.e. by end 2021 to apply this best practice of a majority of independent directors. As the criteria required of an Independent Director of United Plantation Berhad differs greatly from other listed companies, the Board had in 2019 re-assessed the timeline and decided that a target timeline of five years is more appropriate, i.e. by end 2023.</p> <p>In 2022, the individual Board members, business associates and consultants were approached to submit the profiles of potential candidates that has the right skill set and experience to fill the position of Independent Non-Executive Directors. As the result of these efforts, the Board has identified and appointed Mr. Yap Seng Chong as the Independent Director of the Board on 26</p>

	April 2022.	
<b>Timeframe</b>	: Within 1 year	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Departure								
<b>Explanation on application of the practice</b>	:									
<b>Explanation for departure</b>	:	<p>1 of the 5 independent directors has served the Board for more than 12 years</p> <p>The Independent Director, Dato' Jeremy Derek Campbell Diamond has served on the Board for more than 12 years. Since 2012, the Company has sought annual shareholders' approval at the Annual General Meeting (AGM) for him to continue to serve as Independent Director on the Board. The latest shareholders' approval was obtained at the last AGM held on 26 April 2022 through a single-tier voting process as provided in the Constitution of the Company and the voting results are summarised as follows:-</p> <table border="1"><tr><td colspan="2">Dato' Jeremy Derek Campbell Diamond</td></tr><tr><td>For</td><td>78.63%</td></tr><tr><td>Against</td><td>21.37%</td></tr><tr><td>Abstain</td><td>0%</td></tr></table> <p>The Nomination Committee and the Board have determined at the annual assessment carried out on Dato' Jeremy Derek Campbell Diamond who has served the Board more than 12 years that he remains objective and independent in participating in the deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not interfere with his exercise of independent judgment and he has acted in the best interest of the Group notably in discharging his roles as the Chairman of the Audit and Risk Committee as well as the member of the Remuneration and Nomination Committees.</p> <p>Dato' Jeremy Derek Campbell Diamond has provided an annual confirmation of his independence to the Nomination Committee and the Board. The Board has recommended the continuation of Dato' Jeremy Derek Campbell Diamond as independent director of the Company as the Board believes that it is in the best position to</p>	Dato' Jeremy Derek Campbell Diamond		For	78.63%	Against	21.37%	Abstain	0%
Dato' Jeremy Derek Campbell Diamond										
For	78.63%									
Against	21.37%									
Abstain	0%									

	<p>evaluate and determine whether any independent director can continue acting in the best interest of the Group and bringing unbiased and professional judgement to Board deliberations. The Board has to balance the need to continue with Directors who have intimate knowledge of the Group's business and fresh perspective which new candidates may bring.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>	<p>The Board has again in 2022 re-assessed the timeline set in limiting the tenure of the independent Board members and views that with the expansion of the Group's business following the acquisition of the additional plantation land, the Group will require a stable board, particularly of Independent Directors who have a good understanding of the Group's core business operations, to strategize the new development and bring it to fruition. The Board has decided in the interest of the Group to move the timeline for limiting the tenure of the independent directors from 2023 to 2026. This will allow the Board to concentrate on the business operations to enhance the value of the Group. Notwithstanding this, the Board undertakes to review this annually.</p> <p>In 2022, the individual Board members, business associates and consultants were approached to submit the profiles of potential candidates that has the right skill set and experience to fill the position of Independent Non-Executive Directors. As the result of these efforts, the Board has identified and appointed Mr. Yap Seng Chong as the Independent Director of the Board.</p>	
<p><b>Timeframe</b> :</p>	<p>Others</p>	<p>The Board shall review this on an annual basis.</p>

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>The Board has always been actively involved in the succession planning of the senior management, potential candidates from within and outside the Group are identified and groomed to shoulder heavier responsibilities in due course.</p> <p>The Nomination Committee is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations. In this respect, the role of the Nominating Committee is detailed in its Terms of Reference, which is accessible for reference on the Company's website at <a href="http://www.unitedplantations.com">www.unitedplantations.com</a>.</p> <p>In making its recommendations to the Board, the Nominating Committee considers and assess the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none"><li>• Qualification;</li><li>• Required competencies, skills, expertise and experience;</li><li>• Specialist knowledge or technical skills;</li><li>• Professionalism and integrity; and</li><li>• Time commitment to the Company.</li></ul> <p>The Board has also on 13 July 2022 adopted the Fit and Proper Policy which serves as a guide for the assessment of Directors and candidates for the Board.</p>
<b>Explanation for departure</b>	:	



<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee is responsible for recommending suitable candidates for Directorships to the Board. In undertaking this responsibility, the Nomination Committee would first analyse leverages on several sources like industry acquaintance, contacts in related industries, consultants etc to gain access to a wide pool of potential candidates besides tapping on the recommendations from existing board members, management or major shareholders.</p> <p>The Nomination Committee had in 2022 through industry acquaintance identified, interviewed and recommended Mr. Yap Seng Chong to the Board.</p> <p>The Nomination Committee is of the view that the abovementioned sources are sufficient and able to provide candidates with the right skillset and experience as experienced in the past.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report. The performance of the retiring directors is assessed by the Nomination Committee and Board before recommendation is made to the shareholders for consideration. For independent directors, the Nomination Committee also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Nomination Committee is being chaired by Dato' Mohammad Nasir bin Ab. Latif who is an independent director.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company currently has two (2) female Director and nine (9) male Directors.</p> <p>The Board acknowledges the best practice of MCCG 2021 for boards of Large Companies to comprise at least 30% women on board. In heeding this, there was a positive development for the Company in making greater strides towards notable gender diversity on the Board with the appointments of Puan Rohaya Binti Mohammad Yusof to the Board on 30 November 2017 and Ms Belvinder Kaur on 6 November 2021. Diversity was considered in tandem with meritocracy (i.e. based on their qualification, skills and relevant experience).</p> <p>The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% women representation target at Board level as required for Large Companies, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy. Hence, the Nomination Committee has been tasked to look for suitably qualified female candidate when there is a vacancy.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board of Directors takes cognizance of the importance of avoiding the pitfall of tokenism when considering the appointment of women directors to the Board. Notwithstanding this, priority was given to women candidates with the right skill set and experience.

<b>Timeframe</b>	:	Others	The Board shall increase woman board representation as and when there is vacancy as well as when suitable and qualified candidates are identified.
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**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of gender diversity. This is further elaborated on pages 39, 75 and 115 of the Annual Report. The Board shall increase woman representation in the Board as well as in Senior Management as and when there is vacancy and when suitable and qualified candidates are	
<b>Explanation for departure</b>	:	identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

*Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.*

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Nomination Committee based on peer review conducted an annual evaluation to determine the effectiveness of the board, its committees and each individual director. However, the Board does not have the practice of having the assistance of independent experts on this area</p> <p>The current practice of evaluating the Board by peer review has been objective and is deemed to have achieved the desired result of ensuring the effectiveness of the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board shall continue to assess the need for the appointment of an independent third party and will take necessary action as and when deemed useful.	
<b>Timeframe</b>	:	Others	The Company intends to maintain the current practice of evaluation.



### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has as part of the Company Executive Handbook, the policies and procedures in place to determine the remunerations of the directors and senior management. The Company Executive Handbook also sets out the benefits of all employees including that of executive directors and senior management.</p> <p>The policies and procedures to determine the remuneration of the directors and senior management is reviewed periodically and the last review was done in 2021 when the Board discussed on the new service contract for two Executive Directors.</p> <p>The terms of reference of the Remuneration committee can be accessed via the link at <a href="http://www.unitedplantations.com">www.unitedplantations.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The roles and responsibilities of the Remuneration Committee are stated under the board charter and in its Terms of Reference which can be accessed through the Company's website at <a href="http://www.unitedplantations.com">www.unitedplantations.com</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The disclosure is as per attached.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Ybhg. Dato' Mohamad Nasir bin Ab. Latif	Independent Director	210,000	9,000	-	-	-	13,140	232,140	210,000	9,000	-	-	-	13,140	232,140
2	Ybhg. Dato' Carl Bek-Nielsen	Executive Director	145,000	6,000	1,896,000	130,500	66,393	335,085	2,576,978	145,000	6,000	1,896,000	130,500	66,393	335,085	2,576,978
3	Mr. Ho Dua Tiam	Non-Executive Non-Independent Director	130,000	6,000	-	-	-	-	136,000	130,000	6,000	-	-	-	-	136,000
4	Mr. Ahmad Riza Basir (retired wef 26 April 2022)	Independent Director	46,082	6,000	-	-	-	-	52,082	46,082	6,000	-	-	-	-	52,082
5	Y.Hormat Dato' Jeremy Derek Campbell Diamond	Independent Director	160,000	16,500	-	-	-	-	176,500	160,000	16,500	-	-	-	-	176,500
6	Mr. Martin Bek-Nielsen	Executive Director	130,000	6,000	1,776,000	99,000	62,190	313,470	2,406,660	130,000	6,000	1,776,000	99,000	62,190	313,470	2,406,660
7	Mr. Loh Hang Pai	Executive Director	130,000	6,000	1,164,000	72,000	42,948	214,860	1,629,808	130,000	6,000	1,164,000	72,000	42,948	214,860	1,629,808

8	Mr. R. Nadarajan	Independent Director	145,000	16,500	-	-	-	-	161,500	145,000	16,500	-	-	-	-	161,500
9	Mdm. Rohaya binti Mohammad Yusof **	Non-Executive Non-Independent Director	130,000	6,000	-	-	-	-	136,000	130,000	6,000	-	-	-	-	136,000
10	Mr. Jorgen Balle	Non-Executive Non-Independent Director	130,000	6,000	-	-	-	-	136,000	130,000	6,000	-	-	-	-	136,000
11	Ms. Belvinder Kaur a/p C. Nasib Singh	Independent Director, Non-Executive Director	130,000	6,000	-	-	-	-	16,842	130,000	6,000	-	-	-	-	16,842
12	Mr. Yap Seng Chong	Independent Director, Non-Executive Director	99,315	9,000					108,315	99,315	9,000					108,315

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.2**

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Senior Management comprise of the three Executive Directors in the financial year 2022, the disclosure is as per attached.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The detailed remuneration of each member of senior management who are all the Executive Directors are disclosed on a named basis in the Annual Report.



No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Ybhg. Dato' Carl Bek-Nielsen	Chief Executive Director	1,850,001-1,900,000	0-50,000	50,001-100,000	50,001-100,000	300,001-350,000	2,500,001-2,600,000
2	Mr. Martin Bek-Nielsen	Executive Director ( Finance & Marketing)	1,750,001-1,800,000	0-50,000	50,001-100,000	50,001-100,000	300,001-350,000	2,300,001-2,450,000
3	Mr. Loh Hang Pai	Executive Director (Estates)	1,000,001-1,200,000	0-50,000	50,001-100,000	0-50,000	180,001-220,000	1,500,001-1,650,000

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit and Risk Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit and Risk Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit and Risk Committee is Dato' J.D.C. Diamond who is an Independent Non-Executive Director and the Chairman of the Board is Dato' Mohammad Nasir bin Ab. Latif who is also an Independent Non-Executive Director	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit and Risk Committee.

The board is able to objectively review the Audit and Risk Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.2

The Audit and Risk Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit and Risk Committee.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company has appointed Mr. Yap Seng Chong to the Board as well as a member of the Audit and Risk Committee on 26 April 2022. Mr. Yap Seng Chong retired from Ernst &amp; Young PLT in 2021 and he was the engaging partner of the external audit of UP from 2010 to 2014.</p> <p>The Nomination Committee in nominating Mr. Yap Seng Chong as a member of the Board as well as a member of Audit and Risk Committee has taken cognizance that Mr. Yap Seng Chong, after stepping down as the engaging partner of UP since 2015 has not directly or indirectly involved or take part in any audit, advisory, tax or other services provided by Ernst &amp; Young PLT to UP. The Nomination Committee is therefore of the view that Mr. Yap Seng Chong has actually observed a cooling-off period of more than seven years since 2015. The Nomination Committee has further assessed and concluded that Mr. Yap Seng Chong has the experience, qualification and the ability to exercise independent judgement to be a member of the Audit and Risk Committee. The Board concurred with the recommendation of the Nomination Committee.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board with the assistance of the Nomination Committee shall continue to annually evaluate the effectiveness of Mr. Yap Seng Chong and the other members of the Audit and Risk Committee in discharging their duties.
<b>Timeframe</b>	:	Others

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit and Risk Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.3**

The Audit and Risk Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor on an annual basis and the assessment is based on private discussions, quality of issues raised in the audit reports and their level of participation on issues discussed during the meetings they attended.</p> <p>During the financial year 2022, the Audit and Risk Committee met with the external auditor namely, Ernst &amp; Young PLT, twice in the absence of Management. The Audit and Risk Committee has also monitored and reviewed the performance and independence of Ernst &amp; Young PLT and is satisfied that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Audit and Risk Committee.</p> <p>For the audit of the financial year ended 31 December 2022, the Audit and Risk Committee was further assured by Ernst &amp; Young PLT by way of written confirmation that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Pursuant to the assessment on the suitability and independence of the external auditor, the Audit and Risk Committee made its recommendation to the Board on the re-appointment on the external auditor together with the payment of the audit fees.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

**Intended Outcome**

<b>Timeframe</b> :		
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There is an effective and independent Audit and Risk Committee.

The board is able to objectively review the Audit and Risk Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The members of the Audit and Risk Committee are Dato' J.D.C. Diamond, Mr R. Nadarajan and Mr. Yap Seng Chong who are all independent and non-executive directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit and Risk Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.5**

Collectively, the Audit and Risk Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit and Risk Committee including the financial reporting process.

All members of the Audit and Risk Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Committee Chairman Dato' J.D.C. Diamond was the former Chief Executive Officer of Socfin Company Bhd. Both Mr. R. Nadarajan and Mr. Yap Seng Chong are members of Malaysian Institute of Accountants. They are all financial literate and have undertaken continuous professional development by attending trainings. The courses attended in 2022 were:-</p> <ul style="list-style-type: none"> <li>● Webinar on Artificial Intelligence (AI) for Company Directors and Executives by MICG on 7 June 2022 (Attended by Mr. R Nadarajan)</li> <li>● KPMG Board leadership Center Exclusive/Human Rights Risk Management for Malaysian Companies on 27 September 2022 (Attended by Mr. Yap Seng Chong)</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.1**

The board should establish an effective risk management and internal control framework.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>: The Risk Management Framework is embedded in its culture as documented in the Group Sustainability System Framework. It overlaps with the Sustainability Governance Management Structure.</p> <p>Details of the Group’s Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal Control, which is on page 119 to page 120 of the Company’s 2022 Annual Report and these are summarised as follows:-</p> <p>Statement On Risk Management and Internal Control</p> <p>The Board recognises its responsibility for the Group’s system of Risk Management and Internal Control (RMIC) for the review of its adequacy and effectiveness, whilst the role of management is to implement the Board’s policies on risk and controls. A sound system of RMIC includes the establishment of an appropriate control environment and framework encompassing financial, operational and compliance controls and management of risks throughout its operation in order to protect its shareholders’ value and the Group’s assets as well as other stakeholders’ interest, at the same time.</p> <p>The Risk Management Framework is embedded in its culture as documented in the Group Sustainability System Framework as illustrated on Page 119. The Risk Management Framework overlaps with the Sustainability Governance Management Structure.</p> <p style="text-align: center;">Risk Management Framework</p> <div style="border: 2px solid blue; padding: 10px; margin: 10px auto; width: fit-content;"> <p style="text-align: center;">Board of Directors</p> <p style="text-align: center;">↕</p> <p style="text-align: center;">Executive Committee</p> <p style="text-align: center;">↕</p> <p style="text-align: center;">Group Sustainability Committee (GSC)</p> <p style="text-align: center;">↕</p> <p style="text-align: center;">Risk Management Committee</p> </div>



	<p><b>Risk Management Approach</b></p> <p>Because of the limitations that are inherent in any system of RMIC, such systems are designed to manage and mitigate risks that may impede the achievement of the Group's business objectives. Accordingly, the system of RMIC provides only reasonable and not absolute assurance against material misstatement, error or loss. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.</p> <p><b>Assurance from Management</b></p> <p>The Board has received assurance from the Chief Executive Director and the Executive Director, Finance &amp; Marketing, that the Group's system of RMIC is operating adequately and effectively in all the material aspects.</p> <p><b>Internal Control And Risk Management</b></p> <p>The Board regards risk management as an integral part of business operations. There is in place of a formal process to identify, evaluate and manage significant strategic, operational, financial, tax-related and legal risks faced by the Group. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken and the time frame to mitigate and minimise these risks. The process is undertaken by a Risk Management Committee headed by the Executive Director, Finance &amp; Marketing and comprises senior executives of the Company and a written report is submitted to the Board Management proactively reviews the measures taken to manage those identified risks on a timely and consistent manners.</p> <p><b>Other Key Elements Of RMIC</b></p> <p>Other key elements of the Group's system of internal control are as follow:</p> <ul style="list-style-type: none"> <li>● Defined management structure of the Group and clear delegations of authority to committees of the Board and management where authority levels have been clearly established;</li> <li>● Established operating policies and procedures with respect to the key operational areas are continuously reviewed and updated by management to reflect changing risk profile;</li> <li>● Comprehensive financial and operational reports, including key performance indicators are reviewed against prescribed budgets and parameters by</li> </ul>
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	<p>management and executive directors on a monthly and daily basis where applicable;</p> <ul style="list-style-type: none"> <li>● Regular meetings are held between the executive directors and management to deliberate on Group strategies and policies, operational and financial performance and other key issues.</li> <li>● An annual budgetary process whereby each operating entity submits a budget and business plan to the executive committee for consolidation, review and approval, which is then tabled to the Board for deliberation;</li> <li>● It is the responsibility of each employee to report any potential shortcomings in the internal controls in relation to their respective responsibilities;</li> <li>● An internal audit function that is outsourced to an independent professional firm, KPMG which reports directly to the Audit and Risk Committee. In addition, the Group also has a group internal audit department to complement the reviews by the independent professional firm. Based on a risk-based audit plan, the internal audit function performs regular reviews of critical business processes to identify any significant risks, assess the effectiveness and adequacy of the system of RMIC and where necessary, recommend possible improvements;</li> <li>● Each subsidiary of the group is (as a minimum requirement) subjected annually to scrutiny of its financial statements by external auditor, any comments relating to this external audit are passed on to the management in the form of a “management letter”. No significant shortcomings in internal controls have been found in the past including the year under review.</li> <li>● The Audit and Risk Committee on behalf of the Board, receives reports from both the internal and external auditors and regularly reviews and holds discussions with management on the actions taken on Identified RMIC issues. The role of the Audit Committee is further elaborated in the Audit and Risk Committee Report on Pages 121 to 124 There is no material joint venture that has not been dealt with as part of the Group for the purpose of Statement on Risk Management and Internal Control.</li> <li>● The internal control mechanisms established by the Board are embedded within the organisation structure in all its processes. The internal control system is independently</li> </ul>
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	reviewed by the Internal Auditors to assess its adequacy and effectiveness.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The assessment, monitoring and review of the various risks faced by the Group are continuous processes within the operating units, with the Risk Management Committee; a Management level Committee, playing a pivotal oversight function as delegated by the Board of Directors.</p> <p>The Board has received assurances from the Chief Executive Director and the Executive Director, Finance &amp; Marketing, that the Group's system of Risk Management and Internal Control is operating adequately and effectively in all material aspects.</p> <p>The Group's key risks identified are as follows:</p> <ul style="list-style-type: none"><li>• Fluctuating commodity prices</li><li>• Insufficient and inexperienced labour force</li><li>• Climate Change</li><li>• Forced Labour Issue</li><li>• Political instability and uncertainties in local regulatory and practices</li><li>• Adverse foreign exchange fluctuations</li><li>• Emission, discharge and waste management</li><li>• Risks in the refinery industry</li><li>• Increasing labour costs and input costs</li><li>• Extreme weather conditions</li><li>• RSPO certification risk</li><li>• CPO and refined oils quality in relation to contaminants</li><li>• Corporate liability risk (MACC Act 2018 S17A)</li><li>• Covid-19 Risks</li></ul> <p>Further details are contained in the Statement of Risk Management and Internal Control which is on page 119 to page 120 of the Company's 2022 Annual Report.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company’s risk management framework and policies.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Internal Audit Function is effective under the direct purview of the Audit and Risk Committee with all reports and work done being submitted to the Audit Committee for review and deliberation. Any shortcomings are then rectified with follow-up audits performed to check for compliance.</p> <p>The Committee is supported by the in-house Group Internal Audit Department and the outsourced internal auditors, KPMG in the discharge of its duties and responsibilities.</p> <p>The internal auditors provide independent and objective assessment on the adequacy and effectiveness of the risk management and internal controls. The in-house internal auditors also carry out investigative audits whenever improper, illegal and dishonest acts are reported.</p> <p>The Group Internal Audit Department is headed by a qualified accountant and supported by 3 executives with experiences in the audit and estate operations. The Internal Audit programmes are tailored specifically based on the risk areas identified by the Executive Committee with emphasis on operational weaknesses identified and prevalent in the plantations industry. This will ensure that the audit programme add value to management decision making.</p> <p>The Internal auditors review the effectiveness of the internal control structures of the Group's activities focusing on high-risk areas as determined using a risk-based approach.</p> <p>All operating units are targeted to be audited at least once over a two-year period by the in-house internal auditors, and at least once over a three year period by the outsourced internal auditors (excluding foreign operations).</p> <p>The internal audits cover the review of the adequacy of risk management, operational controls, compliance with established procedures, guidelines and statutory requirements, quality of assets and management efficiency, amongst others. These audits are to ensure that the established controls are appropriate, effectively applied and achieve acceptable risk exposures consistent with the Group's risk management policy. In performing such reviews, recommendations for improvement and enhancements to the existing system of internal controls and</p>

	<p>work processes are made.</p> <p>All auditing activities are conducted in line with the Group's objectives and policies, in accordance with applicable laws and regulations, and as guided by Code of Ethics and International Standards for the Professional Practice and Internal Auditing.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

**Practice 11.2**

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Company is supported by the in-house Internal Audit Department and the outsourced internal auditors, KPMG.</p> <p>The in-house internal audit personnel are segregated and stationed in a separate department to ensure independence. The resources are reviewed periodically by the Audit and Risk Committee to ensure adequacy. Mr Erwin Khor is the Manager of the Internal Audit Department. He is a qualified Chartered Accountant with memberships of MIA and MICPA. All internal audit personnel have adequate knowledge of the Company’s business processes and internal controls. They are not related to people who work for or have business relationships with the Group.</p> <p>The internal audit function is carried out based on the nature of the operations and is risk based where audit procedures are concentrated on areas which pose the highest risk to the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has designated executive directors as spokespersons in the handling of discussions and disclosures with investors, fund managers and the public.</p> <p>The Company has a website <a href="http://www.unitedplantations.com">www.unitedplantations.com</a> where all the Company's announcements, corporate information and updates are posted.</p> <p>A. Strengthen Relationship Between the Company and Shareholders</p> <p>A.1 Communications and Investor Relations</p> <p>The Board acknowledges the need for an effective communication policy with shareholders and investors as the same intimate relationship that exists with management is usually lacking with shareholders with the exception of the controlling shareholders who are represented on the Board. The Company's website: <a href="http://www.unitedplantations.com">www.unitedplantations.com</a> and the stock exchange websites: <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>. are used as a forum to communicate with shareholders and investors where they can access corporate information, company's announcements, corporate proposals, quarterly and annual reports, etc.</p> <p>The Company's executive directors normally hold bi-annual briefings at its Headquarters with institutional investors, market analysts and fund managers. However, due to other urgent commitments, no such briefing was held in 2022. In view of this, the Company has tentatively scheduled one briefing in March 2023.</p> <p>Questions relating to the announcements can be directed to Dato' Carl Bek-Nielsen, Chief Executive Director and Mr. Martin Bek-Nielsen, Executive Director (Finance &amp; Marketing). Besides the above, the Board believes that the Company's Annual Report is a vital source of essential information for shareholders and investors and other stakeholders. The Company strives to provide a high level of reporting and transparency as an added</p>

value for users.

A.2 The Annual General Meeting (A.G.M.)

	<p>The Annual General Meeting is an excellent forum for dialogue with all shareholders for which due notice is given. The shareholders are given the opportunity to vote on the regular businesses of the meeting, viz. consideration of the financial statements, consideration and approval of a final dividend, consideration and approval of directors and auditors fees, re-election of directors and special business if any.</p> <p>The Chairman explains the voting procedure before the commencement of the A.G.M. The shareholders present are given the opportunity to present their views or to seek more information. The resolutions passed at the meeting are released to Bursa Malaysia in a timely manner.</p> <p>The Notice of A.G.M. is sent along with a Proxy Form to all shareholders. Items relating to special business in the agenda, if any, are supported with detailed explanatory notes in a Circular to Shareholders sent along with this Report. There are sufficient notes in the Notice of AGM to guide shareholders for the completion of the Proxy Forms.</p> <p>All Board members, Senior Management from the Finance Department and the External Auditors are present to respond to questions from the shareholders during the A.G.M.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Group has been operating on an integrated basis with value creation though out the operation of the Group.</p> <p>The Board acknowledges that the integrated reporting will improve the quality of information available to investors and promotes greater transparency and accountability on the part of the Company. However, there is no one-size-fits-all integrated report or integrated reporting process.</p> <p>The current reporting complies with the requirements of the Companies Act 2016, the applicable accounting standards and the Main Market Listing Requirements.</p>
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Group has since 2019 taken measures and incorporated some important elements of integrated reporting and these were further refined in 2022. However, due to circumstances beyond control, the target of adopting this by 2022 has to be deferred to 2024.
<b>Timeframe</b>	:	Within 2 years

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company sent out the notice of 101st AGM together with the 2021 Annual Report on 28 February 2022 which is more than 28 days before the date of the meeting on 26 April 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**  
**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Board members, the Company Secretary, the Financial Controller and the External Auditors were present to respond to questions from the shareholders during the 101st AGM held on 26 April 2022.	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The 101st AGM was conducted virtually with remote shareholders voting and participation. The Company has a Policy on Personal Data Protection which ensures good cyber hygiene, data privacy and security to prevent cyber threats. This Policy could be accessed via the Company's website at <a href="https://unitedplantations.com/wp-content/uploads/2020/03/Personal_Data_Protection_Policy.pdf">https://unitedplantations.com/wp-content/uploads/2020/03/Personal_Data_Protection_Policy.pdf</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In the interest of safety and health of the shareholders, board members and employees of the Company, the 101st AGM was held virtually. There was active participation by the shareholders with 109 questions covering the Group's financial and non-financial performance answered. The questions and answers were subsequently posted on the website of the Company.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In the interest of safety and health of the shareholders, board members and employees of the Company, the 101st virtual AGM was hosted at the office of Boardroom Share Registrars (Boardroom) at 12 <sup>th</sup> Floor, Menara Symphony , No.5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya. Boardroom has provided adequate tools and infrastructure to the Company for a successful virtual AGM with active participation by the shareholders as evidenced from the high number of questions answered during the meeting.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome****Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

*Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of the AGM was published on the Company's website on 24 May 2022 which is less than 30 business days from the meeting.
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:	
<b>Timeframe</b>	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES  
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA  
MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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