

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2089
COMPANY NAME : United Plantations Berhad
FINANCIAL YEAR : December 31, 2023

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 PURSUANT 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

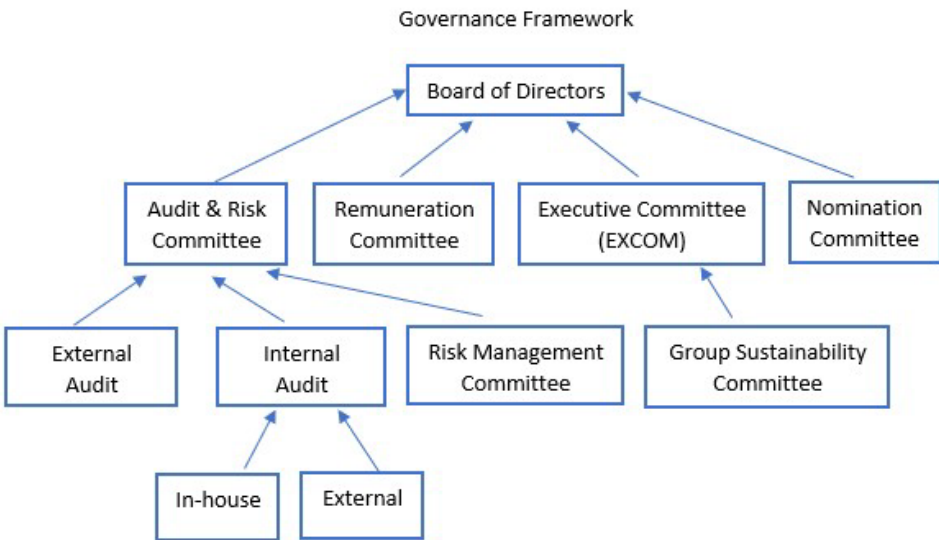
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

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.

Application :	Applied
Explanation on application of the practice :	<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>1. Establish Clear Roles and Responsibilities</p> <p>1.1 Clear Functions of The Board and Management</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>  <pre> graph TD subgraph Governance_Framework [Governance Framework] Board[Board of Directors] ARCA[Audit & 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] ExtAudit2[External] end Board --> ARCA Board --> RemCom Board --> EXCOM Board --> NomCom ARCA --> ExtAudit ARCA --> IntAudit IntAudit --> InHouse IntAudit --> ExtAudit2 EXCOM --> RiskCom EXCOM --> GSCom </pre>

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 2023:

- 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) Approved and monitored 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 were satisfied that the financial statements and the contents of

the annual report gave a 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.

In line with the amendments to the Main Market Listing Requirements as announced by Bursa on 26 May, 2023, the Board had on 24 February 2024 amended the Fit and Proper Policy (Policy) and the Board Charter. This Policy and the Board Charter provide guidance 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 and the Board Charter are available on the Company's website, 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 behaviour, and any illegal or improper action in the Group which may be exposed. In the financial year 2023, no complain was received.

For more information on our Whistleblower Policy, please refer to 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

	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Board has access to professional advice from third parties in furtherance of their duties in accordance with the Company's established procedures.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

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.

Application	: Applied
Explanation on application of the practice	<p>The roles of the Chairman:-</p> <ol style="list-style-type: none">a) The Chairman acts as an informal link between the Board and Management and particularly between the Board and the CED.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">● to be part of the control mechanism in ensuring that the CED's decisions are appropriately considered and sound; and● to give assistance and advice, when needed, especially on sensitive matters which the CED is unable to discuss with other executives.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">● providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;● participating in the selection of Board members and ensuring that the Board Composition is properly balanced;● 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;● ensuring the integrity and effectiveness of the governance process;● 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 the Chairman cause for major concern;● leading the role in presenting the Company's cause, whether formally or informally, with the authorities,

	<p>institutional or potential investors and those having influence over the environment in which the Company operates;</p> <ul style="list-style-type: none"> ● 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; ● 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; ● 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; ● guiding and mediating the Board's actions with respect to organisational priorities and governance concerns; ● 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; ● initiating the establishment of Board Committees and ensuring that they achieve their objectives; and ● performing other responsibilities as assigned by the Board from time to time.
<p>Explanation for departure :</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>Measure :</p>	
<p>Timeframe :</p>	

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.

Application	:	Applied
Explanation on application of the practice	:	<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>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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

<i>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'.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board, Dato' Mohammad Nasir bin Ab. Latif is not a member of any other committees.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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.

Application	:	Applied
Explanation on application of the practice	:	<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 26 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 his 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 needs to stay abreast of changes.</p> <p>The Company Secretary attended all the Board and Board Committee meetings held in financial year 2023. He also undertook continuous professional development in 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<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>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board Charter which documents the Board’s policies and updates thereto in relation to its responsibilities, governance and leadership is published on the Company’s website at www.unitedplantations.com.</p> <p>The Board Charter addresses, among others, the following matters:-</p> <ul style="list-style-type: none"> • Role and responsibilities of the Board; • Composition, Board balance and Board diversity; • The roles of Chairman and Chief Executive Director; • Supply of information and Board meetings; • Matters reserved for the Board; • Board effectiveness evaluation; • Board Committees; and • Communication with stakeholders. <p>The Board Charter was last reviewed by the Board on 24 February 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Intended Outcome

Application	: Applied
Explanation on application of the practice	<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"> ● 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 are 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

	<p>with bribery risk have been made aware and they have undertaken to comply with this Policy.</p> <ul style="list-style-type: none"> • 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. <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 on Conflict of Interest under this Policy.</p> <p>For more information on our Code of Conduct and Business Ethics, please refer to our website, www.unitedplantations.com/sustainability.</p>	
<p>Explanation for departure</p>		
<p>Measure</p>		
<p>Timeframe</p>		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>In the pursuit of high standards of ethical, moral and legal business conduct, the Group’s Whistle Blower policy aims to protect employees from reprisals or victimization for whistle blowing, to foster an environment of integrity and ethical behaviour, and to any illegal or improper action in the Group to which it may be exposed. In the financial year 2023, no complaints were received.</p> <p>For more information on our Whistleblower Policy, please refer to www.unitedplantations.com/sustainability.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</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;">Sustainability Governance Management Structure</p> <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <pre> graph TD A[Board of Directors] <--> B[CED & Executive Committee] B <--> C[Group Sustainability Reporting Team] B <--> D[Group Sustainability Committee] C <--> D D <--> E[Various sub-committees and business units] </pre> <p>Board of Directors Responsible for:</p> <ul style="list-style-type: none"> • Approval of policies • Ultimate supervision of UP's Sustainability performance <p>CED & Executive Committee Responsible for:</p> <ul style="list-style-type: none"> • Formulating sustainability strategy policies and goals • Discussing sustainability issues • UP's sustainability performance • Sustainability Report <p>Group Sustainability Committee Responsible for:</p> <ul style="list-style-type: none"> • Maintaining sustainability performance across the Group • Stakeholders engagement • Raising awareness among employees • Helping management to ensure that sustainability standards are consistent across the Group </div> <p>Please refer to page 94 for detailed explanation on how the Board and management take into consideration sustainability in discharging their duties in managing the company businesses.</p>

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

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>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</p>	<p>: The Board in addressing the company’s 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="539 792 1374 1413" data-label="Diagram"> <p style="text-align: center;">Group Sustainability System Framework (GSSF)</p> </div> <p>The Company has in 2023 based on the above framework undertaken various stakeholder engagements and these are reported under pages 95 to 97 of the Annual Report.</p>
<p>Explanation for departure</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>Measure</p>	<p>: </p>
<p>Timeframe</p>	<p>: </p>

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.

Application	:	Applied
Explanation on application of the practice	:	<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 63% per MT of refined palm oil produced during the period from 2004 to 2023. 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome
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.

Application	:	Applied
Explanation on adoption of the practice	:	The CED is the designated person on sustainability. In 2023, he together with the Board was exploring ways to further improve the sustainability practices including carbon footprint reduction in the company operation.

Intended Outcome

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

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.

Application	:	Applied
Explanation on application of the practice	:	<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 2023, Mr. Ho Dua Tiam and Dato' J.D.C. Diamond who had served the Board for 28 years and 22 years respectively decided to step down from the Board after the AGM in 2023. EPF had nominated Tunku Alizakri Bin Raja Muhammad Alias to replace Puan Rohaya on the Board on 1 June 2023. After the appointment of Tunku Alizakri, it later came to the knowledge of the Board that two of his immediate family members are sitting on the boards of public listed companies in the same industry as UP. In addressing the perceived COI and in line with good governance, Tunku Alizakri proactively tendered his resignation from the Board to avoid any COI issue that may arise which is further elaborated under the nomination committee report on page 134.</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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	4 out of the 8 directors or 50.0% of the Board are independent directors	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Departure								
Explanation on application of the practice	:									
Explanation for departure	:	<p>1 of the 4 independent directors has served the Board for more than 10 years</p> <p>The Independent Director, Mr. R. Nadarajan has served on the Board for more than 10 years. The Company has sought annual shareholders' approval at the 2022 Annual General Meeting (AGM) for him to continue to serve as Independent Director on the Board. Shareholders' approval was obtained at the last AGM held on 27 April 2023 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">Mr. R. Nadarajan</td></tr><tr><td>For</td><td>83.66%</td></tr><tr><td>Against</td><td>16.34%</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 Mr. R. Nadarajan who has served the Board more than 10 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 Remuneration and Nomination Committees and member of the Audit and Risk Committee.</p> <p>Mr. R. Nadarajan has provided an annual confirmation of his independence to the Nomination Committee and the Board. The Board has recommended the continuation of Mr. R. Nadarajan as independent director of the Company as the Board believes that it is in the best position to evaluate and determine whether any</p>	Mr. R. Nadarajan		For	83.66%	Against	16.34%	Abstain	0%
Mr. R. Nadarajan										
For	83.66%									
Against	16.34%									
Abstain	0%									

	<p>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>Measure :</p>	<p>The Board was not able to achieve the target timeline of limiting the tenure of independent director in 2023 and has decided to move the target timeline for another year to 2024. In 2023, Dato' J.D.C. Diamond who had served the Board as an independent director for more than 12 years stepped down from Board after the AGM on 27 April 2023.</p> <p>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. However, no suitable candidate was identified.</p>	
<p>Timeframe :</p>	<p>Within 1 year</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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<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 www.unitedplantations.com.</p> <p>In making its recommendations to the Board, the Nominating Committee considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• Time commitment to the Company. <p>The Board had also on 13 July 2022 adopted a Fit and Proper Policy which serves as a guide for the assessment of Directors and candidates for the Board. The Fit and Proper Policy was reviewed and updated by the Board on 24 February 2024.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<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 is of the view that the abovementioned sources are sufficient and able to provide candidates with the right skill set and experience as experienced in the past.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	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 the Board before recommendation is made to the shareholders for consideration. For independent directors, the Nomination Committee also assesses their relationship with the executives who 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.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is being chaired by Mr. R. Nadarajan who is an independent director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company currently has one (1) female Director and eight (8) 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). However, Puan Rohaya Binti Mohammad Yusof who is EPF nominee director resigned on 1 June 2023.</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>		
Measure	:	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.

Timeframe	:	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.

Application	:	Applied	
Explanation on application of the practice	:	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. The Board shall increase woman board representation as and when there is vacancy as well as when suitable and qualified candidates are identified.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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.	
	:	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.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	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.	
Timeframe	:	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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in the Company Executive Handbook, put in place the policies and procedures 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 www.unitedplantations.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

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

Intended Outcome
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.

Application	:	Applied
Explanation on application of the practice	:	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	7,500	-	-	-	17,400	234,900	210,000	7,500	-	-	-	17,400	234,900
2	Ybhg. Dato' Carl Bek-Nielsen	Executive Director	145,000	6,000	1,902,000	141,000	67,698	341,610	2,603,308	175,000	6,000	1,902,000	141,000	67,698	341,610	2,633,308
3	Mr. Ho Dua Tiam (retired wef 27 April 2023)	Non-Executive Non-Independent Director	41,671	3,000	-	-	-	-	44,671	41,671	3,000	-	-	-	-	44,671
4	Y.Hormat Dato' Jeremy Derek Campbell Diamond (retired wef 27 April 2023)	Independent Director	51,288	6,000	-	-	-	-	57,288	51,288	6,000	-	-	-	-	57,288
5	Mr. Martin Bek-Nielsen	Executive Director	130,000	6,000	1,782,000	135,000	63,468	320,460	2,436,928	155,000	6,000	1,782,000	135,000	63,468	320,460	2,461,928
6	Mr. Loh Hang Pai	Executive Director	130,000	6,000	1,170,000	99,000	43,938	219,810	1,668,748	130,000	6,000	1,170,000	99,000	43,938	219,810	1,668,748
7	Mr. R. Nadarajan	Independent Director	145,000	18,000	-	-	-	-	163,000	145,000	18,000	-	-	-	-	163,000

8	Mdm. Rohaya binti Mohammad Yusof (resigned on 1 June 2023)	Non-Executive Non-Independent Director	53,781	3,000	-	-	-	-	56,781	53,781	3,000	-	-	-	-	56,781
9	Mr. Jorgen Balle	Non-Executive Non-Independent Director	140,233	13,500	-	-	-	-	153,733	140,233	13,500	-	-	-	-	153,733
10	Ms. Belvinder Kaur a/p C. Nasib Singh	Independent Director, Non-Executive Director	130,000	4,500	-	-	-	-	134,500	130,000	4,500	-	-	-	-	134,500
11	Mr. Yap Seng Chong	Independent Director, Non-Executive Director	155,233	16,500	-	-	-	-	171,733	155,233	16,500	-	-	-	-	171,733
12	Tunku Alizakri bin Raja Muhammad Alias (Non-Independent, Non-Executive) (Joined on 1 June 2023 and resigned on 19 February 2024)	Non-Executive Non-Independent Director	76,219	3,000	-	-	-	-	79,219	76,219	3,000	-	-	-	-	79,219

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.

Application	:	Applied	
Explanation on application of the practice	:	The Senior Management comprises the three Executive Directors in the financial year 2023, the disclosure is as per attached.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Adopted
Explanation on adoption of the practice	:	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	1,900,001-1,950,000	0-50,000	100,001-150,000	50,001-100,000	300,001-350,000	2,600,001-2,650,000
2	Mr. Martin Bek-Nielsen	Executive Director (Finance & Marketing)	1,750,001-1,800,000	0-50,000	100,001-150,000	50,001-100,000	300,001-350,000	2,450,001-2,500,000
3	Mr. Loh Hang Pai	Executive Director (Estates)	1,000,001-1,200,000	0-50,000	50,001-100,000	0-50,000	200,001-250,000	1,650,001-1,700,000

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit and Risk Committee is Mr Yap Seng Chong 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	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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 & 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 taken part in any audit, advisory, tax or other services provided by Ernst & 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>		
Measure	:	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.
Timeframe	:	Others

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 9.3

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.

Application	:	Applied
Explanation on application of the practice	:	<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 2023, the Audit and Risk Committee met with the external auditor namely, Ernst & Young PLT, twice in the absence of Management. The Audit and Risk Committee has also monitored and reviewed the performance and independence of Ernst & 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 2023, the Audit and Risk Committee was further assured by Ernst & 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>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Intended Outcome

Timeframe :		
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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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	Both Mr Yap Seng Chong and Mr. R. Nadarajan are members of Malaysian Institute of Accountants. Mr. Jorgen Balle is a graduate of Masters in Business Administration. They are all financial literate and have undertaken continuous professional development by attending trainings. The courses attended in 2023 were:- <ul style="list-style-type: none">● ICDM (Institute of Corporate Directors Malaysia): Mandatory Accreditation Programme Part II: Leading for Impact (LIP) from 11 to 12 December 2023. (Attended by Mr Yap Seng Chong)● MIA International Accountants Conference 2023 from 13 to 14 June 2023. (Attended by Mr. R. Nadarajan)● ASB Conference on “ (CG) What amounts to a Conflict of Interest by Directors?” on 13 October 2023. (Attended by Mr. R. Nadarajan)
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</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 127 to page 128 of the Company’s 2023 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 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 127. The Risk Management Framework overlaps with the Sustainability Governance Management Structure.</p> <div data-bbox="751 1619 1129 1944" style="text-align: center; border: 1px solid black; padding: 10px;"> <p>RMIC Framework</p> <p>Board of Directors</p> <p>↕</p> <p>Executive Committee</p> <p>↕</p> <p>Group Sustainability Committee (GSC)</p> <p>↕</p> <p>Risk Management Committee</p> </div>

	<p>Risk Management Approach</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>Assurance from Management</p> <p>The Board has received assurance from the Chief Executive Director and the Executive Director, Finance & Marketing, that the Group's system of RMIC is operating adequately and effectively in all the material aspects.</p> <p>Internal Control And Risk Management</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 & 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>Other Key Elements Of RMIC</p> <p>Other key elements of the Group's system of internal control are as follows:</p> <ul style="list-style-type: none"> ● 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; ● Established operating policies and procedures with respect to the key operational areas are continuously reviewed and updated by management to reflect changing risk profile; ● Comprehensive financial and operational reports, including key performance indicators are reviewed against
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	<p>prescribed budgets and parameters by management and executive directors on a monthly and daily basis where applicable;</p> <ul style="list-style-type: none"> ● 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. ● 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; ● It is the responsibility of each employee to report any potential shortcomings in the internal controls in relation to their respective responsibilities; ● 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; ● 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. ● 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 129 to 132 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. ● The internal control mechanisms established by the Board are embedded within the organisation structure in all its processes. The internal control system is independently
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	reviewed by the Internal Auditors to assess its adequacy and effectiveness.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<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 & 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">• Fluctuating commodity prices• Insufficient and inexperienced labour force• Climate Change• Forced Labour Issue• Political instability and uncertainties in local regulatory and practices• Adverse foreign exchange fluctuations• Emission, discharge and waste management• Risks in the refinery industry• Increasing labour costs and input costs• Extreme weather conditions• RSPO certification risk• CPO and refined oils quality in relation to contaminants• Corporate liability risk (MACC Act 2018 S17A) <p>Further details are contained in the Statement of Risk Management and Internal Control which is on page 127 to page 128 of the Company's 2023 Annual Report.</p>

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

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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	: Applied
Explanation on application of the practice	<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</p>

	<p>enhancements to the existing system of internal controls and 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 the Code of Ethics and International Standards for the Professional Practice and Internal Auditing.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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 framework.

Application	:	Applied	
Explanation on application of the practice	:	<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>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<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 www.unitedplantations.com 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: www.unitedplantations.com and the stock exchange websites: www.bursamalaysia.com 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. During the year, briefings and Q&A session related to Company matters were only held at the AGM. The Company has undertaken to resume analyst briefings in 2024.</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 & 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 value for users.</p>

	<p>A.2 The Annual General Meeting (A.G.M.)</p> <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>	
<p>Explanation for departure</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>Measure</p>		
<p>Timeframe</p>		

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Group has been operating on an integrated basis with value creation through 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>		
Measure	:	The Group has since 2019 taken measures and incorporated some important elements of integrated reporting and these were further refined in 2023. However, due to circumstances beyond control, the target of adopting this by 2023 has to be further deferred to 2025.
Timeframe	:	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.

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company sent out the notice of 102 nd AGM together with the 2022 Annual Report on 27 February 2023 which is more than 28 days before the date of the meeting on 27 April 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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.

Application	:	Applied	
Explanation on application of the practice	:	All Board members, the Company Secretary, the Group Manager, Finance and the External Auditors were present to respond to questions from the shareholders during the 102 nd AGM held on 27 April 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Departure	
Explanation on application of the practice	:	<p>The 102nd AGM was a physical meeting. Shareholders who could not attend the meeting can vote and participate in the meeting via proxy.</p> <p>The Company has Policy on Personal Protection Act which ensures good cyber hygiene, data privacy and security to prevent cyber threats. This Policy could be accessed via the Company's website at https://unitedplantations.com/wp-content/uploads/2020/03/Personal_Data_Protection_Policy.pdf</p>	
Explanation for departure	:	<p>The shareholders who are unable to attend the AGM physically are still able to participate, engage the board and senior management and make informed voting decisions via appointed proxies.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board shall continue to assess the need to have remote voting and participation in AGM.	
Timeframe	:	Other	The Company intends to maintain the current practice.

Intended Outcome

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

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.

Application	:	Applied
Explanation on application of the practice	:	There was active participation in the 102 nd AGM by the shareholders with 19 questions covering the Group's financial and non-financial performance answered. The questions and answers were subsequently posted on the website of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Not applicable as the 102 nd AGM is a physical meeting.	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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.

Application	:	Applied
Explanation on application of the practice	:	The minutes of the AGM was published on the Company's website on 24 May 2023 which is less than 30 business days from the meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
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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