



UNITED PLANTATIONS BERHAD

(Company no. 191701000045 (240-A))

Jendarata Estate • 36009 Teluk Intan • Perak Darul Ridzuan • Malaysia

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance Overview Statement

The Board of Directors recognizes the importance of good corporate governance and continues to be committed to ensuring that high standards of corporate governance are practiced throughout the Group to deliver long term sustainable value to the shareholders and other stakeholders. With this in mind, the Board of Directors is pleased to present the Corporate Governance Overview Statement for 2023 ("CG Overview Statement")

This CG Overview Statement explains the Board’s recognition of corporate governance as a vital element contributing to the long-term sustainability of the Group’s businesses and performance. The Board in pursuit of this objective, dedicates substantial efforts to identify and formalize best practices, ensuring high standards of corporate governance across the entire Group. This commitment is based on the conviction that robust and effective corporate governance practices are fundamental to the efficient, and transparent operation of the Group, enhancing long-term shareholders’ value, instilling investor confidence, and safeguarding stakeholders’ interests.

This CG Overview Statement outlines how UP Group has adhered to the following three principles outlined in the Malaysian Code on Corporate Governance 2021 (“MCCG”):

- a) Board leadership and effectiveness;
- b) Effective audit and risk management; and
- c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This document is to be read in conjunction with the Corporate Governance Report (“CG Report”), published on the Company’s website, www.unitedplantations.com which provides further elaboration on the application or departure of each practice as prescribed in the Code. Explanations including measures taken and the timeframe to achieve the intended outcome are given for the departure practices. The Group’s Governance Framework is outlined below.

Governance Framework



A) Board Charter

The Board Charter sets out the Board’s strategic intent and outlines the Board’s roles and responsibilities. The Charter elaborates the fiduciary and leadership functions of the Board and serves as a primary reference for prospective and existing Board members and senior management. The Charter is reviewed periodically to ensure it complies with current legislation and best practices. The Board Charter was reviewed and updated on 24 February 2024 to ensure that it remains relevant and appropriate for the Board in discharging its duties. The Fit and Proper Policy can be viewed at the Company's website at www.unitedplantations.com

B) Strengthen Composition

Specific responsibilities are delegated to Board Committees where appropriate. The Board Committees comprises of Nomination Committee, Remuneration Committee, Audit and Risk Committee and Executive Committee. Each Committee operates within its respective Terms of Reference which have been approved by the Board. The Terms of Reference of the Nomination Committee, Remuneration Committee and Audit and Risk Committee are disclosed at the Company's website at www.unitedplantations.com

B1.1 Nomination Committee

The Nomination Committee is responsible to make recommendations to the Board regarding the appointment of directors, evaluation of the skills, experience, competencies of the Directors, diversity of the Board's composition. The Nomination Committee consists of 3 members, majority of whom are Independent, Non- Executive Directors. The full report of the Nomination Committee can be found from pages 133 to 135 of this Corporate Governance Overview Statement 2023.

B1.2 Remuneration Committee and Directors Remuneration

The Remuneration Committee consists of two (2) independent non-executive directors, and one (1) non-independent, non-executive director. Its primary function is to review and recommend the remuneration for the Company's executive directors and to review the fees, benefits and allowances of Non-Executive Directors.

The members of the Remuneration Committee are stated here below:-

Mr. R. Nadarajan*
(Independent, Non-Executive Director)

Mr. Jorgen Balle**
(Non-Independent, Non-Executive Director)

Mr. Yap Seng Chong**
(Independent, Non-Executive Director)

*Appointed as the Chairman after the resignation of Dato' Mohamad Nasir bin Ab. Latif as the Chairman of Remuneration Committee on 27 April 2023

**Appointed as members of Remuneration Committee on 27 April 2023

It is the Remuneration Committee's usual practice to draw information on the Company's remuneration policy from the Executive Committee to assist them with their duties. Executive directors do not participate in the deliberations of the Remuneration Committee. Only the executive directors have contracts of service which are normally reviewed every three years. The executive directors' salaries are linked to their position, seniority, experience and the Company's overall profitability which would vary from year to year.

The salary components are determined in accordance with the Company's established remuneration policy for executive directors, this policy was last reviewed in March 2020. The remuneration packages are sufficiently attractive to attract and retain executive directors. All directors are paid annual fees. The Chairman and members of the Audit and Risk Committee receive additional fees taking into account the nature of their responsibilities. Members of other Board committees do not receive any additional fees.

The directors' fees are reviewed by the Board only when it deems necessary, subject however to approval by the shareholders at the A.G.M.. The amount is related to their level of responsibilities. Periodical review of the fees is undertaken based on market information on directors' fees. A fixed daily meeting attendance allowance is paid for all attendances at Board and Board Committee meetings except for the Executive Committee meetings. The Remuneration Committee held one (1) meeting during 2023 to deliberate on the new service contract of two executive director as well as bonuses for the executive directors and made their recommendation to the Board.

The aggregate remuneration for the year for the following directors are as shown in the table below.

B1.3 Audit and Risk Committee

The Audit and Risk Committee consists of two (2) independent non-executive directors and one (1) non-independent, non executive director. All three (3) members are non-executive directors as required under the Main Market Listing Requirements. The scope and functions of the Audit and Risk Committee are as spelt out under the Terms of Reference. The activities of the Audit and Risk Committee during the financial year 2023 have been described at length in a separate statement in this Annual Report. (pages 129 to 132).

	Directors' Fees		Salary*	Bonus	Benefits- in Kind	Other Benefits	Meeting Attendance Allowance	Total
	Company	Subsidiaries						
	(RM)	(RM)						
Ybhg. Dato' Mohammad Nasir bin Ab. Latif (Chairman, Independent, Non-Executive) (wef 22 April 2021)	210,000	-	-	-	-	17,400	7,500	234,900
Ybhg. Dato' Carl Bek-Nielsen (Chief Executive Director)	145,000	30,000	1,902,000	141,000	67,698	341,610	6,000	2,633,308
Mr. Ho Dua Tiam (Non-Independent, Non-Executive) (rtd wef 27 April 2023)	41,671	-	-	-	-	-	3,000	44,671
Y. Honnat Dato' Jeremy Derek Campbell Diamond (Independent, Non-Executive) (rtd wef 27 April 2023)	51,288	-	-	-	-	-	6,000	57,288
Mr. Martin Bek-Nielsen (Executive Director)	130,000	25,000	1,782,000	135,000	63,468	320,460	6,000	2,461,928
Mr. Loh Hang Hai (Executive Director)	130,000	-	1,170,000	99,000	43,938	219,810	6,000	1,668,748
Mr. R. Nadarajan (Independent, Non-Executive)	145,000	-	-	-	-	-	18,000	163,000
Madam Rohaya binti Mohammad Yusof (Non-Independent, Non-Executive) (res wef 1 June 2023)	53,781	-	-	-	-	-	3,000	56,781
Mr. Jorgen Balle (Non-Independent, Non-Executive)	140,233	-	-	-	-	-	13,500	153,733
Ms. Belvinder Kaur a/p C. Nasib Singh (Independent, Non-Executive)	130,000	-	-	-	-	-	4,500	134,500
Mr. Yap Seng Chong (Independent, Non-Executive)	155,233	-	-	-	-	-	16,500	171,733
Tunku Alizaki bin Raja Muhammad Alias (Non-Independent, Non-Executive) (appt on 1 June 2023, res wef 19 February 2024)	76,219	-	-	-	-	-	3,000	79,219
Total	1,408,425	55,000	4,854,000	375,000	175,104	899,280	93,000	7,859,809

* including additional remuneration

B1.4 Executive Committee

The Executive Committee consists of executive directors only. The scope and functions of the Executive Committee are as stated in the Terms of Reference approved by the Board.

They are responsible to oversee the day-to-day management of the Group's operations which includes reviewing of the annual revenue and capital budgets before presenting to the Board, reviewing the monthly, quarterly and annual results of the Company and Group and comparing them with the respective business units budgets and taking remedial actions for budget variances, implement policies and procedures approved by the Board, implement recommendations of the Audit and Risk Committee, identify key risks annually and implement mitigating actions where practicable, recommend expansion and diversification plans, implement policies for succession, labour recruitment, ensure continuity of business during pandemic, replanting and replacement of plant and machinery, and the review of research policies and projects.

The Executive Committee has established the Group Sustainability Committee which reviews sustainability issues concerning the environment, social/community, employees and market place. The Sustainability Report has been included in a separate statement in this Annual Report.

The Executive Committee has access to the services of the Company Secretary who records and maintains minutes of Executive Committee meetings. The Executive Committee met formally 2 times during 2023, and the minutes thereof were included in the Board file for information and deliberation by the Board.

All the executive directors attended all 2 meetings. The Executive Committee also met informally on more than 20 occasions during the year to deal with matters that required prompt response and decisions.

C. Reinforce Independence

C.1 Board Balance and Independence of Directors

The Company has an effective Board entrusted with leadership responsibilities by its shareholders. It is headed by a Chairman who is independent of management and whose key role is the stewardship of the Board.

The Chief Executive Director on the other hand is the head of management whose key responsibilities are to run the business and implement the policies and strategies approved by the Board. Due to their contrasting roles at the head of the Company, the two roles are not combined. Following this division of responsibilities at the head of the Company we have in the Board's composition included a balance of executive and independent non-executive directors so that no one group would dominate the decision-making process.

For the financial year 2023, your Board consists of eight (8) directors, three (3) of whom are executives who have an intimate knowledge of the business. Amongst the remaining five (5) non-executive directors, four (4) of them are independent directors. The Board is satisfied that the current board size fulfils its requirements adequately and would review this as and when necessary.

The composition of the Board reflects a mix of skills and experience and other qualities which non-executive directors should bring to the Board. Due to the diversified backgrounds and their independence, the non-executive directors are ably engaged in healthy discussions and debates with the executive directors at the Board meetings which are conducive for an effective Board. The independent directors play a pivotal role in the Board's responsibilities.

However, they are not accountable and responsible for the day to day running of the business, which is the role of the executive directors. The independent non-executive directors and non-independent non-executives directors are actively involved in various Board committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance by providing independent assessment and opinions on proposals put forward by the executive directors and act as a check and balance for the executive directors.

The Board has established in the Board Charter a formal and transparent policy for the role of the executive and non-executive directors.

Biographies of the Directors as given in this Annual Report, show the necessary depth to bring experience and judgment to bear on the collective decision-making processes of the Board. The Board's composition fairly represents the ownership structure of the Company with appropriate representatives from the two largest shareholders.

There are adequate number of representatives on the Board who fairly reflect the interests of the minority shareholders.

The Board has established position descriptions for the role of each of the executive directors who has specific management responsibilities for the day-to-day running of the business. The Company has included a Group Philosophy Statement in the inside cover of this Annual Report and it has clearly described its objectives in the statement on sustainability to which the Board is deeply committed.

One of the recommendations of the MCCG states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. In 2023, the long serving independent director is Mr. R. Nadarajan, who had served on the Board for (10) years. At the last AGM, the resolution for retention of Mr. R. Nadarajan as independent director for another term was tabled to the shareholders and approved with 83.66% majority.

The Nomination Committee and the Board have determined at the annual assessment carried out on 27 December 2023, that Mr. R. Nadarajan who has served on the Board for (10) years remain 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 act in the best interest of the Group notably in discharging his roles as the Chairman of the Remuneration, the Nomination Committee and as member of the Audit & Risk Committee.

Mr. R. Nadarajan has provided annual confirmation of his independence to the Nomination Committee and the Board. The Board has recommended the continuation of Mr. R. Nadarajan as an Independent director of the Company at the forthcoming AGM as the Board believes that it is in the best position to evaluate and determine whether any independent director can continue acting in the best interest of the Group and bringing unbiased and professional judgement to Board deliberations.

The Board has to balance the need to continue with Directors who have intimate knowledge of the Group's business and fresh perspective which new candidates may bring.

The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of establishment of a gender diversity. The Board in recognition of this has updated the relevant article of the Board Charter in 2022.

Additionally the Nomination Committee has been tasked to look for suitably qualified female candidates when there is a vacancy.

In compliance with Main Market Listing Requirements, the Company has at least one woman director on its Board. Ms. Belvinder Kaur was appointed to the Board on 6 November 2021 and remains on the Board to-date. Puan Rohaya binti Mohammad Yusof was appointed to the Board on 30 November 2017 representing the Employees' Provident Fund (EPF) and she resigned during the year on 1 June 2023. The Board shall continue to increase woman board representation on the Board.

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.

D. Foster Commitment

The Non-Executive Directors are expected to commit approximately 30 to 45 days in a year of his/her time to the Group. Time spent includes not only formal board meetings but also preparation for meetings, Board committee meetings, discussion with management, dealing with the authorities when necessary, professional and educational conferences and Company functions.

The Board is satisfied with the level of time commitment given by each of the directors towards fulfilling their roles on the Board and Board Committees.

The Board meets not less than four (4) times a year to review and approve the quarterly and annual results for announcements.

The Board meetings for the ensuing year are fixed in advance. Notice of meetings and the agenda are given in a timely manner.

Standard matters set out in the agenda for the Board meetings are as follows:-

- 1) Matters arising from the previous minutes of the Board and Committees of the Board
- 2) Monthly, Quarterly and Yearly Financial Statements and financial forecasts/projections
- 3) Matters relating to the business namely finance, land matters, staff & labour, succession planning, budgets, production, marketing, ESG, Sustainability and others
- 4) New Investments
- 5) Subsidiary Companies and Joint Venture Company
- 6) Sustainability Issues
- 7) General

During the year under review four (4) Board meetings were held and the directors' attendances thereat are summarised herebelow:-

Directors	No. of Meetings	
	Attended	Held
YBhg. Dato' Mohamad Nasir bin Ab. Latif - Chairman	4	4
YBhg. Dato' Carl Bek-Nielsen	4	4
Mr. Ho Dua Tiam*	1	4
Y. Hormat Dato' Jeremy Derek Campbell Diamond*	1	4
Mr. Martin Bek-Nielsen	4	4
Mr. Loh Hang Pai	4	4
Mr. R. Nadarajan	4	4
Madam Rohaya binti Mohammad Yusof **	2	4
Mr. Jorgen Belle	4	4
Ms. Belvinder Kaur a/p C Nasib Singh	3	4
Mr. Yap Seng Chong*	4	4
Tunku Alizakri bin Raja Muhammad Alias ***	2	4

* Retired on 27 April 2023

** Resigned on 1 June 2023

*** Appointed on 1 June 2023, Resigned on 19 February 2024.

The Directors are also mindful of their continuous training requirements. Directors are encouraged to attend various external and internal professional programs relevant and useful in contributing to the effective discharging of their duties as directors.

The Company Secretary facilitates programme registration for interested directors and would maintain such records of the programmes and their attendance thereat. All directors are allowed to choose courses/seminars of relevance in discharging their duties.

The Board, with the input from the Company Secretary, assessed the training needs of individual directors and satisfied that all directors have met their training needs.

Relevant training programmes, seminars and conferences attended by Directors during the financial year ended 31 December 2023 were:

- 1) Integrity, Governance & Anti-Corruption Training For Board, Investment Panel & KWEST Board Members organised by KWAP(virtual) -13 January 2023
- 2) Sustainability training (online certification) organised by Bursa Sustainability -Feb 2023.
- 3) PRUBSN Sustainability training organised by ERM Consultancy - 1 March 2023.

- 4) Board Chairperson Leadership for Sustainability Actions Roundtable organised by UN SDG Global Compact - 3 March 2023.
- 5) MAVCAP Accelerating Ventures organised by MAVCAP -6 March 2023.
- 6) Bursa Malaysia's Palm & Lauric Oils Price Outlook Conference & Exhibition - (POC2023) organised by Bursa Malaysia Derivatives– from 6 to 8 March 2023.
- 7) Insead Business Sustainability Program organised by Insead Business School (virtual) -11 March 2023
- 8) Net Zero Within Financial Institution -Approach Recommendations on Net Zero Strategy for RHB organised by RHB presenter -EY- 9 May 2023
- 9) Cybersecurity Awareness organised by PruBSN - 22 May 2023.
- 10) Climate Risk Management and Scenario Analysis – Briefing on the Key Requirements of the Policy Document organised by PruBSN - 22 May 2023
- 11) Group Digital Vision on PULSE organised by PruBSN - 22 May 2023.
- 12) Malaysia Futures organised by Khazanah Research Institute and LSE Saw Wee Hock Southeast Asia Forum - June 2023.
- 13) PDB Board & C Suite UPSKILLING: Sustainability organised by ICDM - 7 June 2023.
- 14) ISP's 10th International Planters Conference organised by IPC 2023 - 12 to 14 June 2023
- 15) MIA International Accountants Conference 2023 - 13 to 14 June 2023.
- 16) Synergy Inclusive Transition organised by YINSON Holdings Bhd - 14 June 2023.
- 17) Anti-Money Laundering & Countering Financing of Terrorism organised by RHB Compliance (virtual) - 3 July 2023.
- 18) Sustainability organised by KWAP - 8 September 2023.
- 19) MFRS17 organised by PruBSN - 22 September 2023.
- 20) PETRONAS Brand Management, Sanctions, Competition Law, 3rd Party Risk Management, ABC organised by PDB - September 2023.
- 21) ASB Conference on “(CG) What Amounts to a Conflict of Interest by Directors?” organised by ASB Mgmt Sdn. Bhd. on 12 September 2023 and 13 October 2023.
- 22) Sri Taxonomy: Insights and Implementation organised by RHB Speaker : Securities Commission of Malaysia -3 October 2023.
- 23) Conflict of Interest organised by Petronas Board Excellence on 27 October 2023.
- 24) Insead Business Sustainability Program organised by RHB Bank Berhad -30 October 2023.
- 25) Emerging Risks – How can Malaysia Steer Ahead organised by RAM Holdings Bhd on 31 October 2023.

26) Sustainability and Climate Risk Certification organised by Global Association of Risk Practitioners (GARP) on 13 November 2023.²⁷⁾

27) Accounting Upskilling – PDB on 20 November 2023.

28) Cybersecurity Awareness Training organised by YINSON Holdings Berhad (virtual) - 30 November 2023.

29) “Can American Stop China’s Rise. Will ASEAN be Damaged” organised by FIDE Forum: Asian School of Business – 1 December 2023.

30) Mandatory Accreditation Programme Part 2: Leading for Impact organised by ICDM on 19 to 20 September 2023, 29 to 30 November 2023 and 11 to 12 December 2023.

E. Sustainability

The Board recognises UP's long history of embedding sustainability practises in its operations and is responsible for approving the overall sustainability strategy and direction through effective governance.

During the year under review, the Board has assessed the sustainability performance and management's progress in operationalising sustainability within various areas of our Group.

These areas are summarised as follows:-

- Annual RSPO and MSPO audits as evaluation of sustainability performance.
- Materiality assessment involving various groups of stakeholders.
- Annual suppliers risk assessment.
- Annual stakeholders meeting.
- Improving Human Rights and Ethical Recruitment Procedures.
- CPH ZOO Collaboration and Biodiversity focus .
- Cascading sustainability policies to all level of our workforce through “Reach and Teach, Reach and Remind” programmes.

The Board also formalises our Sustainability Policy for the purpose of communicating our commitment to stakeholders. The Sustainability Policy is available on the Company’s website at www.unitedplantations.com.

Further details on our sustainability reporting can be found in the Sustainability Statement as disclosed on pages 34 to 118 of this Annual Report.

F. Integrity in Financial Reporting

The Board in compliance with paragraph 15.26a of Bursa Malaysia’s Main Market Listing Requirements issues a Statement explaining its responsibility for preparing the annual audited financial statements. The Board is required by law to prepare financial statements for each financial year which will give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year in a manner which is comprehensive and transparent. In the preparation of the financial statements, the directors will consider compliance with all applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act 2016.

F.1 Internal Control

The Board recognises its responsibility for the group's system of internal controls. In this connection, the Audit and Risk Committee conducts an annual review of the adequacy and effectiveness of the system of internal controls and renders a statement to the shareholders to this effect.

In this connection, the Audit and Risk Committee is assisted by an in-house internal audit department and an external independent professional firm who conduct regular reviews of the internal controls and report to the Audit and Risk Committee directly.

The external auditors are appointed by the Board to review the Statement of Internal Control and to report thereon.

F.2 Relationship with the Auditors

The Board maintains a formal procedure of carrying out an independent review of all quarterly reports and annual audited financial statements by the Audit and Risk Committee, at its meetings.

The external auditors and representatives of the management are present to answer questions and provide explanations to the Audit and Risk Committee. The activities of the Audit and Risk Committee have been described at length in a separate statement given in this Annual Report.

G. Recognise and Manage Risks

The Board, assisted by the Audit and Risk Committee, reviews the risk management policies formulated by management, headed by the Executive Director, Finance & Marketing, and makes relevant recommendation to the management.

The Group continues to maintain and review its internal control policies and procedures to ensure, as far as possible, to protect the Group' assets. The Board has established internal audit function, complimented by an in-house team and an external professional firm. Both the internal and external audit teams report directly to the Audit & Risk Committee. Details of the Group's internal control system and framework are set out in the Statement on Risk Management and Internal Control.

H. Timely and High Quality Disclosures

The Group has in place a procedure for compliance with the Listing Requirements. The Company Secretary reviews all announcements to ensure accuracy and compliance. The Board reviews and approves all quarterly and other important announcements. The Board is mindful that information which is material is announced immediately.

The Group has designated executive directors as spokespersons in the handling of discussions and disclosures with investors, fund managers and the public. The Company has a website www.unitedplantations.com where all the Company's announcements, corporate information and updates are posted.

I. Strengthen Relationship Between the Company and Shareholders

I.1 Communications and Investor Relations

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 announcements, corporate proposals, quarterly and annual reports, etc.

The Company's executive directors usually hold bi-annual briefings at its corporate office in Kuala Lumpur or virtually with institutional investors, market analysts and fund managers after announcement of the quarterly results.

During the year briefings and Q & A sessions related to company matters were only held at the AGM. The Management has undertaken to resume analyst briefings in 2024. Questions relating to the quarterly announcements can be directed to Mr. Martin Bek-Nielsen, Executive Director, (Finance & Marketing).

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 of the company's annual report.

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

The A.G.M is an excellent forum for dialogue with all shareholders for which due notice is given. The shareholders are given opportunity to vote on the regular business of the meeting, viz. consideration of the financial statements, consideration and approval of final dividend, consideration and approval of directors and auditors fees, re-election of Directors and special business if any.

The Chairman explains the electronic voting procedure before the commencement of the A.G.M. The participating shareholders 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.

Kindly take note that pursuant to paragraph 2.19 of the Main Market Listing Requirements and Article 162 of the Company's Constitution and in line with UP's "Go Green" initiatives, the Notice of A.G.M., Proxy Form, Statement to Shareholders and Request Form for hardcopy of Annual Report can be downloaded from our website at *www.unitedplantations.com*

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..