

**Corporate Governance Policy**

**By**

**United Palm Oil Industry Public Company Limited**

## United Palm Oil Industry Public Company Limited

The Securities and Exchange Commission (SEC) with the collaboration of the Task Force for Sustainability in Listed Companies has developed the Corporate Governance Code 2017 (the “CG CODE”) by integrating Environmental, Social, and Governance issues (ESG) into the business process for the Board of Directors, as the leader and governing body of a listed company, who can apply as a guideline to supervise the listed company to conduct the business with integrity, respect for the rights, responsibilities for stakeholders, development or reduction of negative impacts on the environment as well as the adaptation to any changing conditions. This is in accordance with sustainable development under the philosophy of Sufficiency Economy.

United Palm Oil Industry Public Company Limited (UPOIC) recognises the importance of Corporate Governance Code in promoting transparency in UPOIC’s operations, fair and equitable treatment to all stakeholders as well as an efficient management system in parallel with Corporate Social Responsibility aiming at the Company’s long-term sustainable value creation. The Board of Directors therefore considered the application of the CG CODE Principles as deemed appropriate, and resolved to apply the Principles by means that are suitable for the Company’s business. If any of the Principles cannot be applied or are not applicable, an explanation shall be provided at the Board Meeting.

### 8 Principles of the Corporate Governance Code

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

The Board has assigned the Audit Committee to develop an action plan and measures for monitoring to ensure implementation, assessment of compliance, and recommending improvement on the CG CODE as appropriate.

### **Principle 1** Establish Clear Leadership Role and Responsibilities of the Board

#### **1. Structure of the Board**

According to the Articles of Association of the Company, The Board composes of not less than 5 Directors. The Board of Directors must be qualified and not subject to the prohibitions under the law of public company limited and other relevant laws. In addition, the Board composition shall have a wide range of skills, experiences, abilities and specific characteristic as well as gender and age. At least one-third of the total number of directors are independent directors. Independent directors shall not be less than 3 persons, and must be complied with the qualification announced by SEC.

#### **2. Duties and Responsibilities of the Board**

1. To review and approve the vision, mission, strategy, objectives, risk, plan and budget of the Company;
2. To control and supervise the management in the implementation of the business plan to achieve the objectives and increase the wealth for the shareholders;
3. To set a Corporate Governance Code and encourage every employee in the organisation to implement the Code, assessment of Code implementation and reviewing the Code at least once a year;
4. To set a code of business conduct to cover all levels of personnel namely, directors, executives, and employees. To encourage all persons in the Company to comply with the policy, monitoring of implementation and assessment of effectiveness of the implementation regularly;
5. To set up internal control system, internal auditing, and measures for risk management as well as regularly monitoring the same;
6. To appoint sub-committees, assignment of roles, duties and responsibilities of each sub-committee;

7. To have clear communication regarding the roles, duties and responsibilities of the Board, Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Management and employees;
8. To be responsible for the disclosure of the Company's financial status in the Financial Statements of the Company and its subsidiaries, in the annual report, annual registration statement (Form 56-1) as well as disclosure of information to meet the requirement of law and relevant government authorities;
9. To set guideline for reviewing the suitability of transaction with potential conflict of interest;
10. To arrange at least one board meeting in every quarter, and convene the shareholders' meeting at least once a year;
11. At a meeting of the Board of Directors, there must be present not less than one half of the total number of directors to form a quorum;

In the event that the Chairman is absent or is unable to perform his duties, if there is a Vice-Chairman, the Vice-Chairman shall be the chairman of the meeting. In the absence of the Vice-Chairman or if the Vice-Chairman is unable to perform his duties, the directors present at the meeting shall elect one among themselves to be the chairman of the meeting.

12. Such other duties and responsibilities stipulated by law, the Articles of Association, and resolutions passed at shareholders' meeting.

### 3. Scope of Authority of the Board of Directors

1. Each director shall have one vote and decisions of the meeting shall be by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have an additional casting vote. In case of a vacancy on the Board of Directors otherwise than by rotation, the resolution of the Board of Directors must be passed by a vote of not less than three-fourths of the number of subsisting directors.
2. Director who has a personal interest in any matter who shall have no right to vote on such matters.
3. Two directors shall be authorised to jointly sign together with the Company's seal affixed.
4. The Board of Directors may appoint other persons to carry out the Company's business under the Board of Directors' supervision or may confer upon such other persons such powers as they think fit and for such time as they think expedient and any revoke, withdraw, alter or vary any such powers.
5. The Board of Directors may pay interim dividends to the shareholders from time to time when the Board of Directors finds the Company has sufficient profit and a report thereof shall be made to the shareholders' meeting at the next meeting.
6. Although various transactions are under the authority of the Board of Directors, there are the following cases stated in the Articles of Association to be conducted at the shareholders' meeting.
  - (1) Reviewing the report of the Board of Directors covering the work done during the preceding year as proposed to the meeting by the Board of Directors;
  - (2) Considering and approving the statements of financial position and statements of comprehensive income of the preceding fiscal year;
  - (3) Considering the appropriation of profits, reviewing directors' remuneration and the appropriation of a reserved fund;
  - (4) Election of new directors in place of those who must retire on the expiration of their terms;
  - (5) Appointment of the auditor and fixing his remuneration;
  - (6) The sales or transfer of the whole or substantial part of the business of the Company to other persons;
  - (7) The purchase or acceptance of transfer of business of other companies or private companies to the Company;
  - (8) The making, amendment or termination of contracts relating to the leasing out of the whole or substantial part of the businesses of the Company, the assignment to any other persons to manage the businesses of the Company, or the consolidation of the business with other persons with an objective towards profit and loss sharing;
  - (9) The amendment of Memorandum or Articles of Association;
  - (10) The increase or decrease in the Company's capital or the issuance of debentures;
  - (11) The amalgamation or dissolution of the Company;

(12) Other businesses.

#### 4. The Chairman of the Board

The Chairman of the Board shall be an independent director or non-executive director. The Chairman must be a different person from the Managing Director so that the two roles are clearly separated. The duties and responsibilities are as follows:-

1. In calling a board meeting, the Chairman or assigned delegate shall serve a written notice calling for such meeting to members of the Board not less than 7 days prior to the date of the meeting so that the directors may have adequate time to study, review, and make proper decisions. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning of the meeting may be made by other methods and the date of the meeting may be sooner fixed;
2. Jointly with the Managing Director, defines the agenda of each meeting;
3. To ensure the efficiency of each meeting by allocating enough time for the executives to present information, encouraging and allowing directors' queries and expression of free views, controlling the issues under discussion, and summarising the meeting's resolutions;
4. To play a key role in encouraging the Board of Directors' conformance to corporate governance principles, including identifying themselves, refraining from voting, and leaving the meeting in case of having conflicts of interest in any agenda;
5. To inform the Board of Directors all significant matters;
6. To encourage the Board of Directors to attend shareholders' meeting and preside over such meeting to ensure the meeting efficiency and address shareholders' queries;
7. To encourage the Board of Directors to perform their duties under the scope of authority given by laws, and the corporate governance.

#### 5. The Managing Director

The Managing Director is assigned by the Board of Directors to conduct the Company business under the approved plans and budgets with rigor, integrity and the duty of good corporate governance to ensure that the Company, shareholders and stakeholders are properly and fairly engaged in the business including the disclosure of general information and financial information of the Company in accordance with good practices and does not have any interest or conflict of interest with the Company and its subsidiaries.

#### 6. Company Secretary

The Company shall appoint a Company Secretary in accordance to section 89/15 of the Securities and Exchange Act B.E. 2551 with the following duties and responsibilities:-

1. To prepare and keep the following documents:-
  - a register of directors;
  - a notice calling the Board and shareholders' meetings;
  - a minute of meeting of the Board of Directors and meeting of shareholders;
  - an annual report of the Company.
2. To follow-up and ensure implementation of the resolutions of the Board and shareholders' meetings;
3. To keep a report on interest filed by a director or an executive and submit a copy of report to the Chairman of the Board and the Chairman of audit committee within 7 business days from the date on which the Company has received such report;
4. To advise directors with regard to the law and relevant regulation as well as to supervise and oversee to ensure that the Company, the Board of Directors, and the executives comply to all the laws and regulations;
5. To ensure the disclosure of information according to the regulations of the SET, the SEC and other relevant laws;
6. To liaise with relevant regulatory bodies;
7. To do other things assigned by the Board and/or performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In addition, the Company Secretary is assigned to function as a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act, and other related laws.

## 7. Qualification of Independent Directors

The Board has set the qualification of the independent directors as follow:-

- a) holding shares not exceeding 0.5% of the total number of voting rights of the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling persons, including the shares held by related persons of the independent director;
- b) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, associate, joint venture, subsidiary in the same level, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of application filing with the Office. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company;
- c) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children of other directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiary;
- d) not having a business relationship with the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person unless the foregoing relationship has ended not less than 2 years prior to the date of application filing with the Office.

The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the value of three percent (3%) or more of the net tangible assets of the Company or 20 million Baht or more, whichever is lower.

The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- e) neither being nor having been an auditor of the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person unless the foregoing relationship has ended not less than 2 years from the date of application filing with the Office;
- f) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date of application filing with the Office;
- g) not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
- h) not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, neither being nor having been a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 0.5% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary;

- i) not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

In the case where the person appointed by the Company as independent director has or used to have a business relationship or provide professional service exceeding the value specified under (d) or (f) of the first paragraph, the Company shall be granted an exemption from such prohibition only if the Company has provided the opinion of the Company's Board of Directors indicating that, by taking into account the provision in Section 89/7, the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders' meeting under the agenda for the appointment of independent director.

- a) The nature of the business relationship or professional service which such person's qualification not in compliance with the prescribed rules;
- b) The reason and necessity for maintaining or appointing such person as independent director;
- c) The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

For the purpose of (e) and (f) of the first paragraph, the term "partner" shall mean a person assigned by audit firm or a provider of professional service to sign on the audit report or the professional service report (as the case may be) on behalf of such juristic person.

The Board has set the criterion for the amount of shareholding allowed to an independent director to be more stringent than laid out by the SEC i.e. the Company's independent directors are allowed to hold the Company's shares not exceed 0.5%.

## **8. Director's Term of Office**

According to the Article 12 of the Articles of Association of the Company, the terms of one-third of the directors are due to expire by rotation at every Annual General Meeting of Shareholders.

## **9. Directors Concurrently Being Directors of Other Companies**

To ensure that directors have sufficient time to perform his duties fully, the Company has set the number of companies allowed for Chairman, directors to be directors of other listed companies as follows:-

- Chairman: only 3 company
- Director: not more than 5 companies.

The Company does not set limit for being directors in other non-listed companies because most of Executive Directors are directors of subsidiaries, associates, joint venture, or related companies.

## **10. Executives Holding Directorship in Other Companies**

Executives may hold directorship or executive positions in subsidiary, affiliate, joint venture or other related companies in the same group. In case of holding positions in companies other than those in the same group, prior approval must be obtained from the Managing Director.

## **Principle 2 Define Objectives that Promote Sustainable Value Creation**

The Board defined the Company's objectives and goals to promote sustainable value creation in the form of the Company's vision, mission, corporate culture, and code of business conduct, including encouraging the communication among personnel at every level to move forward the Company in the same direction. Furthermore, the Board of Directors monitors and ensures that the Company's strategies are put into practice. At least once a year, the Board of Directors follow up on the management performance and requires that there must be a report on the Company's operation and business performance, especially the performance against financial targets and action plans, to make sure that the established strategies are being accomplished.

## 1. Vision

The leading sustainable palm oil business company with operational excellence, international best practices, and world-class competitive strengths

## 2. Mission

1. Building capacity in entire palm oil business value chain from seeding, germinating, plantation, crop oil extraction and related business so as to be competitive and recognizing in the future
2. Performing the high value palm oil business by focusing in research and development of palm seed breeding of seed with high yield and adaptable to a range of cultivation area to fulfill grower requirements as well as providing the best services
3. Employing advanced technology in production, research and development with international management system as well as taking care of the environment, biodiversity, communities, and society
4. Always ensuring the health, safety, and welfare of all employees and building trust and confidence among our customers, grower/suppliers and generate return to shareholders and other stakeholders appropriately

## 3. Code of Business Conduct

The Company recognises that following code of conduct on the part of executives and employees is necessary for the sustainability and achievement of the Company in the long term. The Company believes that the code of business conduct is a basic foundation for promoting and upgrading good corporate governance. The Company has updated its code of business conduct as a codification of good behaviour patterns which have been approved by the Board of Directors and announced to all directors, executives and employees. The Company has subsequently monitored the compliance to the code strictly and regularly.

Code of Business Conduct was first compiled in officially written format in 2009. This current version is the first revision (R.01) which was clearly divided into categories, and its content was improved to cover relevant comprehensive regulations and policy with wider range of practical guidelines for stakeholders. This version was also included the policy of Anti-Corruption to accommodate the current business implementation.

## Principle 3 Strengthen Board Effectiveness

### 1. Procedure for Director Nomination

The Nomination Committee shall have the duty to recommend names of suitable candidates for the Board and shareholders' meeting to elect as directors according to the Company's Articles of Association. The Nomination Committee shall undertake the task of identifying, evaluating, selecting and proposing new nominees to the Board.

The Board shall consider that the candidates possess experience suitable for the post of directorship, to assist the Board to act prudently as well as capability to make rational business decisions, strategic thinking, leadership, and expertise in the profession, honesty and suitable personal qualification.

### 2. Criteria

The foremost criteria for nominating director candidates shall be the candidates' skills and experiences, professional qualification, business knowledge and experience as well as personal qualities and integrity. Consideration shall also be given to the benefits of diversity such as gender, age, ethnicity, and nationality.

### 3. Sub-committees

#### 3.1 Audit Committee



The Audit Committee shall comprise at least 3 independent directors. The members of the Audit Committee must be appointed by the Board of Directors with at least 1 committee member possessing sufficient knowledge and experience in order to perform his/her/their duties of reviewing the credibility of the financial statements. The members of the Audit Committee must be directors of the Company who are qualified as “independent directors” pursuant to the definition announced by the Company and in accordance with the stipulations of the Capital Market Commission and the regulations of the Stock Exchange of Thailand. The Chairman of the Audit Committee can be the same person as the Chairman of the Board. The term of office shall be 1 year to be ended at the Annual General Meeting of Shareholders (AGM). A Board Meeting will be held after the conclusion of each AGM to appoint each sub-committee.

Finance and Accounting Manager shall be designated as Secretary to the Audit Committee to provide support to the Audit Committee’s proceedings, including setting up meeting appointments, preparing meeting agendas, distributing meeting documents, taking minutes of meeting, and other tasks as assigned by the Audit Committee.

### **Duties and Responsibilities of the Audit Committee**

1. To review the credibility and sufficiency of the financial reporting;
2. To approve the disclosure of quarterly financial statements to the SET;
3. To review the adequacy and effectiveness of internal control systems and internal audit functions and the independence of internal auditing unit as well as to approve the appointment, transfer, dismissing of the head of internal auditing unit or any other unit responsible for internal auditing;
4. To review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws;
5. To consider, select, propose the appointment of, and terminate an independent person to work as the external auditors including the audit fee. The Audit Committee shall hold at least one meeting with the auditor without the management’s presence at the meeting;
6. To consider all connected transactions or the conflict-of-interests transactions disclosures in compliance with the laws and regulations of the SET, to ensure that the transaction is justified and for the best benefit of the Company;
7. To report the operating results of the internal audit to the Board of Directors on quarterly basis, which including the Audit Committee’s opinion on the internal audit, opinions on financial reports, adequacy of internal control systems, and other applicable topics to the Board of Directors as deemed appropriate;
8. To report the activities of the Audit Committee in the Company’s annual report, which must be signed by the Chairman of the Audit Committee. The following information should be included in the report:-
  - (8.1) Comments on the Company’s financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible
  - (8.2) Comments on the adequacy of the Company’s internal control systems
  - (8.3) Comments on compliance with the Securities and Exchange Acts, regulations of the SET, and any other relevant laws
  - (8.4) Comments on whether the Company’s auditor is suitable
  - (8.5) Comments on the transaction with potential conflicts of interest
  - (8.6) The number of Audit Committee’s meetings and meeting attendance of each member
  - (8.7) General comments or observation from the performing of duties according to the Charter
  - (8.8) Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board
9. To ensure that the management has a mechanism to receive complaints and supervise the proper handling of complaint receipt;
10. To ensure that the Chairman and the members of Audit Committee shall attend the shareholders’ annual general meeting in order to classify issues associated with the Audit Committee or appointment of the external auditors;
11. To assess its own performance (Self-Assessment) and report the findings to the Board of Directors for acknowledgment as a whole and on individual basis;
12. To regularly review the Charter of Audit Committee;
13. To take care of any other matters assigned by the Board of Directors;
14. There shall be at least 4 meetings of the Audit Committee per year. At a meeting, at least half the number of the members of the Audit Committee must be present to constitute a quorum;



15. The Audit Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company’s operations and is directly accountable to shareholders, stakeholders, and the public.

In 2018, the Audit Committee held 4 meetings, with the attendance of each member shown as below:-

Name	Position	Period of Directorship	Attendance / Total Meetings
(1) Mr. Thira Wipuchanin	Chairman of the Audit Committee	2018-2019	4/4
(2) Mr. Sangiam Santad	Independent Director	2018-2019	3/4
(3) Mr. Wasin Patchakapati	Independent Director	2018-2019	4/4

**3.2 Remuneration Committee**

The Remuneration Committee shall comprise at least 3 independent directors, majority of whom should be independent directors. The Chairman of the Remuneration Committee must be an independent director who shall not be the same person as the Chairman of the Board. The term of office shall be 1 year to be ended at the AGM. A Board Meeting will be held after the conclusion of each AGM to appoint each sub-committee.

**Duties and Responsibilities of the Remuneration Committee**

- To set the criteria and procedure for determining remuneration of directors, executive directors, managing director and proposed to the Board of Directors and/or the shareholders’ meeting for approval;
- To consider the remuneration of the Board of Directors and executives, as compared to the remuneration offered by other listed companies operating in the same business, to motivate them to foster the Company’s continuous development;
- To propose guidelines for assessing the performance outcomes and compensation for managing director for the Board’s approval;
- To report regularly on progress and performance results to the Board of Directors after every meeting of the Remuneration Committee;
- To assess its own performance (Self-Assessment) and report the findings to the Board for acknowledgment as a whole and on individual basis;
- To regularly review the Charter of Remuneration Committee;
- To take care of any other matters assigned by the Board of Directors;
- Meetings of the Remuneration Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. Nevertheless, there shall be at least 2 meetings per year. At a meeting of the Remuneration Committee, at least half the number of the members of the Remuneration Committee who should be independent director, must be present to constitute a quorum;

In 2018, the Remuneration Committee held 2 meetings, with the attendance of each member shown as below:-

Name	Position	Period of Directorship	Attendance / Total Meetings
(1) Mr. Sangiam Santad	Chairman of the Remuneration Committee	2018-2019	2/2
(2) Mr. Thira Wipuchanin	Independent Director	2018-2019	2/2
(3) Mr. Wasin Patchakapati	Independent Director	2018-2019	2/2
(4) Mr. Whang Shang Ying	Director	2018-2019	2/2

**3.3 Nomination Committee**

The Nomination Committee shall comprise at least 3 independent directors, majority of whom should be independent directors. The Chairman of the Nomination Committee shall not be the same person as the Chairman of the Board. The term of office shall be 1 year to be ended at the AGM. A Board Meeting will be held after the conclusion of each AGM to appoint each sub-committee.

## **Duties and Responsibilities of the Nomination Committee**

1. To consider and review the current structure of the Board of Directors whether it fits the Company's business strategies and provide improvement, recommendations including the director nomination to suit the corresponding structure by presenting the Director Qualifications and Skills Matrix showing competencies of the existing directors and the attributes being sought to suit the needs of the Board of Directors at that time;
2. To define nomination process and criteria in accordance with the composition and qualifications stated in 1;
3. To assess director independence qualification in accordance with the SEC regulations;
4. To select, assess and recommend to the Board based on a due diligence investigation and interviews, technically competent persons of integrity, principle and who foster and practice highest standard of professionalism for appointment as directors;
5. To allow minority shareholders to nominate a director candidate to the Nomination Committee; a time frame for the nomination process must be in place to ensure that the Nomination Committee will have sufficient time to perform due diligence on the candidate's background before the shareholders' annual meeting;
6. To disclose the director nomination policies and procedures to shareholders with a view to ensure transparency in selection of directors. A director nomination form should be available and contain relevant appointment information including supporting reasons and willingness of the nominated candidates;
7. To consider the characteristics of the nominees for the Board members by following guidelines in selecting director candidates:-
  - (7.1) General characteristics of individual director
    - integrity and accountability
    - informed judgment
    - prudence and maturity i.e. able to engage in constructive debates and give independent opinions
    - principled and professional
    - other characteristics as the Nomination Committee deems appropriate
  - (7.2) Competencies in the following areas to ensure the Board's overall suitability
    - accounting and finance
    - organisation and human resource management
    - risk management
    - crisis management
    - legal and compliances
    - industry knowledge
    - international marketing
    - strategic planning
    - other competencies as the Nomination Committee deems appropriate
8. To consider and review Board members development programme in order to ensure that all directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements, the annual budget of which should be set at an appropriate amount;
9. To supervise and ensure that the Company arranges orientation programmes and provide welcoming package that is beneficial to the newly appointed director(s) to perform the roles and responsibilities;
10. To assess its own performance (Self-Assessment) and report the findings to the Board for acknowledgment as a whole and on individual basis;
11. To regularly review the Charter of Nomination Committee;
12. To be responsible for establishing a succession plan the Company's Managing Director and propose to the Board of Directors;
13. To be responsible for recruiting suitable executive candidates, providing training programme and retaining the executives;
14. To take care of any matters assigned by the Board of Directors;
15. Meetings of the Nomination Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. Nevertheless, there shall be at least 2 meetings per year. At a meeting of the Nomination Committee, at least half the number of the members of the Nomination Committee who should be independent director, must be present to constitute a quorum.

In 2018, the Nomination Committee held 3 meetings, with the attendance of each member shown as below:-

Name	Position	Period of Directorship	Attendance / Total Meeting
(1) Mr. Sangiam Santad	Chairman of the Nomination Committee	2018-2019	3/3
(2) Mr. Thira Wipuchanin	Independent Director	2018-2019	3/3
(3) Mr. Wasin Patchakapati	Independent Director	2018-2019	3/3
(4) Mr. Whang Shang Ying	Director	2018-2019	3/3

### 3.4 Risk Management Committee

The Board of Directors, on 22 February 2018, approved to formalise the Risk Management Committee (RMC) with the below duties and responsibilities. At present, the RMC includes the following 2 members.

Name	Position	Period of Directorship	Attendance / Total Meeting
(1) Ms. Piyathida Sukchan	Executive Director	2018-2019	1/1
(2) Mr. Ampol Simarojana <i>(was appointed on 9 August 2018, replacing Ms. Jirasuda Sumpaotong)</i>	Non - Executive Director	2018-2019	1/1

The Risk Management Committee shall comprise a minimum of 2 members who are appointed by the Board from senior management. The term of office shall be 1 year to be ended at the AGM. A Board Meeting will be held after the conclusion of each AGM to appoint each sub-committee. Nevertheless, a retiring member is eligible for re-appointment. The Committee reports directly to the Board through Audit Committee review.

#### Duties and Responsibilities of the Risk Management Committee

- To assist the Board in setting a policy of risk management, including annually agreeing risk tolerance and appetite levels, in liason with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and integrated reporting;
- To ensure that an appropriate policy and plan for a system of risk management is developed by the management, approved by the Board and distributed throughout the Company;
- To annually review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk. A framework and process to anticipate unpredictable risks should also be implemented;
- To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually;
- To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
- To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;

10. To provide an independent and objective oversight and view of the information on corporate accountability and specifically associated risk, also proposing to the Audit Committee and then to the Board on all categories of identified risks facing the Company.
11. To review the strategy, policy and risk tolerance and appetite recommended by the management. The Committee will ensure compliance with such policies in accordance with the overall risk profile of the Company. Risk in the widest sense, i.e. enterprise-wide risk, will be considered by the Committee;
12. To review the management reports detailing the adequacy and overall effectiveness of risk management, its implementation by management, reports on internal control and any recommendations and confirm that appropriate action has been taken;
13. To address key risk areas and key performance indicators (KPI) of the Company, and monitor these factors as part of a regular review of processes and procedures to ensure the effectiveness of its internal systems of control;
14. To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function.

#### 4. Board of Directors' Meeting

The Company shall meet at least once in every quarter provided always that the Chairman of the Board may call special meetings as he deems necessary. Two or more directors may ask the Chairman of the Board to convene a Board of Directors' meeting. In the event a meeting is required by at least 2 directors, the date of the meeting shall be fixed with 14 days from the date of receipt of the request.

In case of regular meetings, the meeting schedule shall be set in advance annually and inform to each director in November every year.

The Company Secretary shall set agenda required to comply with the law and related regulations. Other agendas shall be jointly set by the Chairman and the Managing Director. Each director may also propose agenda items for the meeting by sending the agenda items through the Company Secretary 14 days prior to the meeting date. The Company Secretary shall collect all the proposed agenda items for the Chairman consideration before include them in the meeting agenda.

The Company shall send to all directors meeting document with the meeting notice, clearly stating the matter as for information, for approval or for consideration as the case may be, at least 7 days prior to the meeting date to enable each director to have time to study the information before the meeting. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning of the meeting may be made by other methods and the date of the meeting may be sooner fixed. During the meeting, the Chairman will allocate sufficient time for the management to present detail information and answer additional questions from the directors, and allow sufficient time for the directors to the matters.

In 2018, the Board of Directors held 6 regular meetings. The attendance of each member is as follows:-

Name	Period of Directorship	Attendance / Total Meeting		
		Regular	Extra	Total
(1) Mr. Thira Wipuchanin	2018-2019	6/6	-	6/6
(2) Mr. Sangiam Santad	2018-2019	6/6	-	6/6
(3) Mr. Wasin Patchakapati	2018-2019	5/6	-	5/6
(4) Mr. Whang Shang Ying	2018-2019	4/6	-	4/6
(5) Ms. Anchalee Suebchantasiri	2018-2019	6/6	-	6/6
(6) Ms. Piyathida Sukchan	2018-2019	6/6	-	6/6
(7) Ms. Jirasuda Sumpaotong <i>(resigned from director on 20 June 2018)</i>	2018-2019	3/3	-	3/3
Mr. Ampol Simarojana <i>(was appointed on 20 June 2018, replacing Ms. Jirasuda Sumpaotong)</i>	2018-2019	3/3	-	3/3

The minutes of the meeting shall be in writing stating the date, time of meeting commencement and termination, names of directors attending the meeting and directors absent from the meeting, summary of topics and issues as well as observation of the directors, resolutions and opinion of dissenting directors, name of persons recording the minutes and certifying the minutes. After being confirmed, the minutes shall be kept by the Company Secretary and will be ready for examination by related parties.

Non-executive directors may hold meetings among themselves without the management present at the meeting in order to discuss management issues of interest. The result of the meeting shall be reported to the Managing Director. In 2018, there was one meeting of non-executive Directors which were not attended by Executive Directors, in relation to, new accounting standards that would affect the Company including the collaboration of the management team working with the external auditor, and other general matters.

## 5. Board Self Assessment

The Company shall have the Board assess themselves using the assessment form of the SET's Corporate Governance Center. The assessment will be done once each year in February. Each director shall hand in the completed assessment form to the Company Secretary to compile and report to the Board so that improvement can be considered.

### 5.1 Self Assessment of the Board of Directors and Sub-Committees (individual basis)

#### Principles

Self-Assessment form of the Board of Directors and sub-committees (individual basis) has been implemented to evaluate performance of individual director as a tool for reviewing his/her own duty and further enhancing the efficiency and effectiveness. Categories of the assessment, in compliance with good corporate governance principles, are as follows:-

1. Board structure and qualifications
2. The Board Meeting
3. Roles, duties and responsibilities of the Board

In 2018, overall evaluation results of the three categories indicated **"Very Good"**

### 5.2 Self Assessment of the Board of Directors and Sub-Committees as a whole

#### Principles

Self-Assessment form of the Board of Directors and Sub-Committees as a whole has been implemented to evaluate performance of the Board and Sub-Committees as a whole by applying the guideline from the SET with the nature and structure of the Board and Sub-Committees. The result of the assessment is served as a tool for the Board of Directors and Sub-Committees to review its own duty and further enhancing the efficiency and effectiveness. Six categories of the assessment of opinion and action level are as follows:-

1. Board structure and qualifications
2. Roles, duties and responsibilities of the Board and Sub-Committees
3. The Board and Sub-Committees Meeting
4. Duties of directors
5. Relationship with management
6. Director's self improvement and management training

In 2018, overall evaluation results of the six categories indicated **"Very Good"**

**The average score of 2018 assessment of the Board of Directors and Sub-Committees were summarised as follows:-**

1. The Board of Directors was **"Very Good"**
2. The Audit Committee was **"Very Good"**
3. The Remuneration Committee was **"Very Good"**
4. The Nomination Committee was **"Very Good"**.

**Remark:** "Very good" has scored in the range of 81-100 scores.

### 5.3 Assessment of Managing Director

The Board of Directors conducts an annual performance assessment of Managing Director by determining the Key Performance Indicators reflected by the Company's operating performance in both quantitative and qualitative terms. The Remuneration Committee, comprises majority of whom are independent directors and its Chairman is an independent director, is responsible to consider such key indicators which are transparent and suitable with the business of the Company. Categories of the assessment are as follows:-

1. Leadership
2. Strategic planning and performance
3. Financial planning and financial performance
4. Relationship with the Board of Directors
5. Risk management and internal control
6. Wealth creation to shareholders

## Principle 4 Ensure Effective CEO and People Management

### 1. Remuneration of Directors and Executives

#### 1.1 Remuneration of Directors

The Remuneration Committee shall consider the criteria and principle and the form of remuneration for directors and make its recommendation to the Board. The Remuneration of directors shall be approved by the shareholders' meeting. Comparison shall be made to other companies in the same industry, of the same experience, commitment, scopes of roles and responsibilities as well as the remuneration survey of other companies listed on the SET. The remuneration shall be set at a level sufficient to attract and retain qualified persons.

Remuneration of the Board of Directors and Sub-Committees	2017		2018	
	No. of Persons	Baht	No. of Persons	Baht
Board of Directors	7	4,369,200	8	4,369,200
Audit Committee	3	1,900,800	3	1,900,800
Remuneration Committee	4	-	4	-
Nomination Committee	4	-	4	-

Besides monetary remuneration, overseas directors attending the meeting shall be reimbursed for air-tickets, food and accommodation. The Company also takes out insurance against director liability for directors and executives. It is to cover the risk of directors and executives in performing duties for the Company. However, protection will not be provided in the case of wilful misconduct or gross negligence or any act in bad faith.

#### 1.2 Remuneration of Executives

The remuneration of Executives shall be in accordance with guidelines and policy set by the Remuneration Committee from time to time. The remuneration shall be commensurate to job scope competence and the performance of the Company. The Remuneration Committee shall recommend the appropriateness of remuneration to the Board for review and approval. The remuneration structure rewards individual performance and incentivises the Executive Directors, Managing Director and key executives to act in support of the Company's objectives and goals, and fosters the long-term commitment of the Company performance.

In 2018 Executive Directors, Managing Director and Executives jointly defined Key Performance Indicators (KPIs) for assessment criteria used by the Remuneration Committee in assessing the performance of Executive Directors, Managing Director and Executives.

Remuneration	2017		2018	
	No. of Persons	Baht	No. of Persons	Baht
Executives	7	18,859,595	7	13,212,355

Apart from salary and bonus, other forms of remuneration include provident fund, Company's cars and the related expenses, residence, medical insurance, and accidental



insurance. However, the Managing Director and Executive Director received no other forms of remuneration.

Some directors concurrently holding positions as directors and executives of subsidiary companies and the joint venture will not receive remuneration from those companies.

## 2. Board and Management Training

The Company arranges orientation for new directors and management, which includes factory tour to observe production processes as well as introduction to the nature of business of the Company and its subsidiaries. The following documents would be provided to the new directors:-

1. Listed Company Director Handbook containing topics such as roles and responsibilities, restrictions that directors should not do as they are prohibited by relevant law, roles and responsibilities of sub-committees
2. Principles of Good Corporate Governance and Code of Business Conduct of the Company
3. Memorandum and Articles of Association of the Company
4. The latest annual report and Form 56-1 annual submission

Furthermore, the Board of Directors has a policy to encourage and promote continuous training and development of directors, Managing Director, executives, and employees, which is relevant to their roles to enhance their knowledge, skills and useful experiences related to the operation including useful information related to the business that will drive the Company toward its goals.

In 2018, director who attended the major training sessions was as follows:

No.	Director	Position	Training Session	Objectives
1	Ms. Piyathida Sukchan	Executive Director	1. Palm & Lauric Oils Price Outlook Conference & Exhibition (POC 2018) in Kuala Lumpur, Malaysia 2. 14 <sup>th</sup> Indonesian Palm Oil Conference and 2019 Price Outlook (IPOC 2018) in Bali, Indonesia	To update the situation of palm oil in the global market in the current year including factors that determine the direction of future palm oil prices.

## 3. Succession Plan

The Company has prepared for succession plan by recruiting management trainees to develop knowledge and ability for being company future executives. In addition, the Company assigns the following persons to take charge and act on behalf in case the Managing Director is unable to function, namely,

1. Ms. Somrak Krajangsod to act and make decision regarding the finance and accounting of the Company and its subsidiaries;
2. Ms. Piyathida Sukchan to act and make decision in other matters of the Company and its subsidiaries.

## Principle 5 Nurture Innovation and Responsible Business

### 1. Nurture Innovation

The Board of Directors prioritises and promotes research & technology development and innovation that create value for the business together with the benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the Company. The Board also supervises the management to allocate and manage resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives with sustainability.

## 2. Role of Stakeholders

The Company has a policy that recognises the rights and interests of all groups of stakeholders whether they are employees, shareholders, creditors, customers, trade-counterparts, competitors, community and society. The expectations of one group of stakeholders may be different from another group. Therefore, the Company shall ensure that the rights of each group will be protected according to relevant laws and handled carefully and with sensitivity. Procedures are stated as the Company's policy namely Policy and Practice toward stakeholders, and published on the Company's website as follows:-

- Policy and Practice toward shareholders
- Policy and Practice toward customers
- Policy and Practice toward business partners
- Policy and Practice toward competitors
- Policy and Practice toward creditors
- Policy and Practice toward employees
- Policy and Practice toward community, society, and environment
- Policy and Practice toward human-right respect
- Policy and Practice toward the intellectual property and copyright
- Policy and practice towards quality, safety, and occupational health
- Policy and Practice toward anti-corruption and bribery

Furthermore, the Company has implemented various standards from the quality management system to enhance focusing on role of stakeholders such as:-

- ISO 9001 being a quality management system, aiming to the quality assurance and conformity.
- OHSAS 18001 being a standard for occupational health and safety management systems.
- ISO 14001, an environmental management system that enhances organisation improve and develop the environment continuously.
- Roundtable on Sustainable Palm Oil (RSPO) being a good practice to promote sustainable palm oil production in aspects of economic, social, communities, environment, and law conformity of various stakeholders from upstream to downstream.

The Company conducts its activities with the concern of safety, health and environment. Management and employees at all levels have committed to carry out their functions with responsibility. In 2018, there were 9 accidents. However, there was no any death in workplace.

## 3. Human Resources Development Policy

The Company commits to support and maintain working environment enhancing their efficient contributions. The Company engages in teamwork building and continuous improvement to ensure high performance of human resources as it is believed that the continuous development would strengthen their capability and competence, following an increase in efficiency of the operation and serving customer satisfaction along with building awareness of all employees on the professional ethic. In 2018, the average training hours of employees was 23.46 hours / person and there were a total of 31 training courses provided to employees including the training on environmental management.

## 4. Anti-Corruption Policy

The Company Group has announced an official anti-corruption policy which was reviewed and approved by the Board of Directors. The details are as follows:

"Directors, management, and employees of the Group are prohibited from requesting, performing or accepting corruption in any form, whether directly or indirectly. This shall be applicable to all business units of the Group. Regular reviews on compliance with the anti-corruption policy shall be made, as well as reviews on implementation to ensure compliance with the policy, practices, regulations, rules, notifications, and laws. In case of breach of the policy, any act considered as facilitative to, or implicated in corruption, shall be subject to penalties as stipulated by the Group policies."

Communication and public relation activities under anti-corruption policy including complaint/suggestion making and whistle-blowing channels are carried out via both internal and external media e.g. electronic mail, announcement, the Group's website, annual report, orientation for directors and employees including arranging a discussion on yearly basis to ensure mutual understanding among employees. Such policy is complied with the law of Thailand for the actions against corruption.

In each year, the risk management committee evaluates the potential risk of corruption and reports the concerns to the Audit Committee and the Board.

## **5. Practice towards oversight and control for safeguarding and monitoring the corruption risk**

The Company establishes the practice towards oversight and control for safeguarding and monitoring the corruption risk summarised as follows:-

1. To provide internal control system, internal audit function, and risk management covering key business functions such as accounting, payment, procurement in order to prevent and monitor the corruption risk as well as to recommend any appropriate solutions
2. To put in place complaint-making and whistle-blowing channels, covering complaint-filing, verification, and summary of findings, together with protection of the complainants and related parties. The purpose is to handle complaints, comments, or suggestions from stakeholders that are affected or potentially affected by the Group's business or conduct of its directors, executives, or employees resulting from law-breaking or violation of the code of conduct, as well as suspected corrupt practices.

The Group will keep their complaints confidential and not disclose them to unrelated parties except when required by law.

Those with knowledge of complaints or related information must maintain confidentiality and not disclose it except when required by law. If this is intentionally violated, the Group will punish them under its regulations or the law, or both, as seen fit.

3. Executives in each unit are responsible for monitoring the progress of the complaint and report to the Audit Committee and the Board of Directors for acknowledgement.

## **6. Guidelines for monitoring and evaluating the actions to prevent the involvement in Corruption**

The Company establishes the following guidelines for monitoring and evaluating the actions to prevent the involvement in corruption.

1. The Company's internal audit unit is assigned to conduct auditing according to the annual audit plan which is approved by the Audit Committee, and report any significant issues including provide recommendations to the Audit Committee.
2. Relevant business unit is required to regularly monitor and evaluate the corruption risk to ensure the effective implementation of the anti-corruption policy including follow up, review, and improve the policy from time to time. The risk evaluation result must be reported to the Risk Management Committee, the Audit Committee and the Board of Directors respectively in a timely and consistent manner.
3. In fact-finding process, if the information from the investigation or complaints have shown an explicit evidence which may have a significant impact on the financial position and the operating performance of the Company including the violation of law or code of business conduct, or any suspicious issues in the financial report or internal control system, the Audit Committee shall report the concerns to the Board of Directors for further improvement and correction.

## **Principle 6 Strengthen Effective Risk Management and Internal Control**

### **1. Risk Management**

The Board of Directors realised the importance of the Risk Management. Therefore, in 2018, the Board approved to formalise the Risk Management Committee comprising senior

managements. Duties and responsibilities of the Risk Management Committee were presented in Principle 3 item 3.4. The Management then has to evaluate the risk in every unit and work process, assess the efficiency and existing control measure, and propose plan and method to reduce risk to the Board of Directors.

## 2. Controlling System and Internal Audit

In order to have an independent internal auditing which can be fully functioning, the Audit Committee arranged for the Company to hire an outside firm which is an audit firm in the list approved by the SEC to do the auditing, to ensure that the operations, financial activities of the Company have complied with the guidelines effectively, including compliance with the law and regulations (Compliance Controls).

In 2018 the Audit Committee approved the Company to renew the contract with Dr. Virach & Associates Office to be the Company's internal auditor. The internal auditor shall report directly to the Audit Committee every quarter. The contract has a 2-year term of service with the following expiration on 31 December 2019.

## 3. Conflict of Interests

### 3.1 Prevention of use of inside information

To prevent directors and executives from using inside information for personal gains and disclose it to outside parties, the Company sets the following rules:-

- Executives shall report their holding of UPOIC's shares and report change of holding to the SEC according to section 59 of the Securities and Exchange Act B.E. 2535 within 3 days of the transaction date and handing copy thereof to the Company Secretary as well as report shareholding to the Board every quarter. Future change of law (if any) shall also enforceable.  
  
"Executives" means directors, managers or first 4 management officers ranking immediately below the Managing Director. This shall include management level of accounting or finance officers or equivalence who have the duty to prepare and file report of shareholding in his own name, spouse and minor child to the SEC.
- Directors, executives, managers and employees who have access to inside information shall be prohibited from disclosing such information to outside parties who has no duty involving the Company and shall refrain from buying and selling UPOIC's shares in the period of one month prior to the Company's financial statements being announced and at least one day after the date of the financial statements being disclosed.
- Directors and executives shall report to the Board of Directors or the delegated person about their transaction (buy and sell) of the Company's shares at least 1 day before the transaction date and notify SEC within 3 business days after transaction date as specified by the Securities and Exchange Act.
- Directors, executives, managers and employees shall be prohibited from using inside information that may materially affect the UPOIC share price, which has not yet disclosed to the public, for personal gains and/or persuading other persons to buy or sell UPOIC shares. The Company shall take action against violation of the rule which shall be punishable by law.
- In case directors, executives managers and employees intentionally commit any criminal act according to law on securities and exchange, the Company shall punish the violators by any one or more penalties as follows:-
  - cut wages or compensation or other benefits
  - layoff, dismiss, or discharge from the post of director, executive, manager and employee as it would be deemed intentionally causing damage to the Company. In case the violator is a director, the matter shall be submitted to the shareholders' meeting to consider the penalty.
  - report the violation to the SET and/or the SEC
  - report to the police to take action according to the law
  - take other measures according to the resolution of the Board or the shareholders' meetings.

## 3.2 Approval of transaction containing conflict of interest

Directors, executives, or other persons, who enter into related party transaction or transaction containing potential conflict of interest and transaction regarding acquisition or disposal of material assets as defined by the Notifications of the SEC and the SET which are in force on the date of such transaction, shall strictly follow the Notifications. The Company has set the criteria to approve the transaction as follows:-

- (1) Person with interest or potential conflict of interest shall refrain from approving such related transaction;
- (2) The price or compensation for such transaction shall be under normal business terms and conditions with the benefit of the Company as the main consideration;
- (3) The Audit Committee shall review and give opinion prior to the transaction. If the Audit Committee has no expertise in the matter, the Company shall arrange to have independent expert to give opinion to the Audit Committee which will be used to review the matter before submitting to the Board and the shareholders' meeting for approval.

However, in order to facilitate normal business transaction, the Board has approved in principle to allow the management to do the transaction between the Company and its subsidiaries if the transaction falls into the following categories:-

1. Being a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person;
2. Being reasonable advance payments occurring in the normal course of business operation and with reimbursement on an actual basis.

The management shall report transaction with value over 500,000 Baht to the quarterly Board meetings.

- (4) The Company shall disclose the transaction according to the rule and procedure set out by the SEC and the SET.

## 3.3 To disclose information on the interest of directors, executives, and related persons

In order for the Board to make decision based on the common benefit of the Company and to have directors, executives who have transaction with interest involving the Company business to comply with the Notification of the Capital Market Supervisory Board no. Tor Jor. 2/2552 re: Reporting of interest of directors, executives and related persons, the Company sets the following rules:-

- Directors, Executives and related persons who have transaction with interest in relation to management of the Company or its subsidiary with the value of 1 million Baht or more, or 0.03% of the Net Tangible Assets (NTA) of the Company or its subsidiary, whichever amount is higher, shall file a report to the Company Secretary, according to the report form, within 7 business days from the date of transaction. Every time when there is a change of the transaction, such change must be reported within 7 business days from the date of change.
- The Company Secretary shall submit a copy of the report on interest under paragraph 1 to the Chairman of the Board and Chairman of the Audit Committee within 7 business days from the date of receipt of such report.
- Directors and Executives who have interest in any meeting agenda item which is under consideration shall not participate in making decision and shall leave the meeting room. The Company will not send document related to the said agenda to such interested persons.
- The Company shall disclose such interest in the annual report and Form 56-1.

## 3.4 Mechanism for stakeholders to do whistle blowing or make complaints

In case that stakeholders require to do whistle blowing or make any complaints to the Company, the below channels have been set up as the guideline.

1. **Provide channel for stakeholders to do whistle blowing or make complaints :** Any stakeholder wishes to communicate to the Board of Directors directly without passing through the management of the Company to express his opinions about the operation of the Company's business including whistle blowing or complaints such as incorrect financial report, violation of the law or ethics or deficiency of internal control system, etc. may address his communication directly to the Audit Committee.

By post: Mr. Thira Wipuchanin  
Chairman of the Audit Committee  
United Palm Oil Industry Plc.  
64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,  
Khet Bangna, Bangkok 10260

By email: [acthira@hotmail.co.th](mailto:acthira@hotmail.co.th)

2. **Protection of informer's identity :** A stakeholder who communicate or make complaints in item 1 will not be required to disclose his name.
3. **Action after receiving concerns or complaints :** The Audit Committee shall investigate the information and facts given by the informer in item 1 and report to the Board within 30 days of the date receiving the information.
4. **Measure of redress and damage compensation :** If the Board determines that a stakeholder has suffered damages from any violation of law by the Company, the Board shall take steps to redress the problem as soon as possible as well as finding measure to prevent recurrence of the problem. Appropriate compensation will be given to the person suffered from violation of law.

## **Principle 7 Ensure Disclosure and Financial Integrity**

### **1. Disclosure and Transparency**

The Company recognises the importance of timely disclosure of information that shareholders may use for their investment decision as well as decision in exercise their votes at the shareholders' meeting. The Company periodically assesses the efficiency of information disclosure. The following information is regularly disclosed.

- Disclosure of the following in Thai and English and update of the information in the Company's website
  - Principles of Good Corporate Governance
  - Policy and Practice toward stakeholders including environment policy; anti-corruption policy; quality, safety, and occupational health policy etc.
  - Code of Business Conduct
  - Nature of Business
  - Business Structure
  - Shareholder Structure
  - Structure of the Board of Directors
  - Vision/Mission
  - Articles of Association
  - Annual Report
  - Form 56-1 (Thai version)
  - Financial Statements
  - Meeting notices and meeting documents
  - Minutes of the Shareholders' Meetings
  - News published by the Company
- Periodically submit accurate, complete, and timely information to the SET and the SEC such as Financial Statements, Form 56-1, Annual Report
- News on important changes which may have material impact on the share price according to the regulations of the SET
- The Board of Directors assumes the responsibility for the accuracy, completeness and timely manner of the Company's financial reporting and information disclosure in



accordance with relevant guidelines including rules and generally accepted accounting standards with appropriate accounting policies which are applied and consistently conformed. The report shall be audited by an external auditor and reviewed by the Audit Committee to ensure that sufficient disclosure is made and it can reflect the Company's financial status and operating performance.

- The Executive Directors shall be responsible for communicating with investors both individual and institutional, shareholders, security analysts and relevant government sectors. Information can be requested from Tel: 02-361 8959-87 or Fax: 02-361 8988-9 or by email: [upoic.secretary@upoic.co.th](mailto:upoic.secretary@upoic.co.th) or through the Company's website.

## 2. Financial Liquidity and Solvency

The Board of Directors assigns the management to regularly monitor and evaluate the Company's financial status and report to the Board of Directors on regular basis. The Board of Directors and the management will ensure that any potential threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

The Company emphasises its trustworthiness and therefore, strictly conforms with conditions and agreements made with creditors in order to create reliability. The Company always pays all interest and principle accurately, timely, and completely. Also, the Company shall not use loans proceeds in the way that is contrary to its objectives nor conceal any information that may be harmful to creditors.

In the event that the Company is unable to comply with any condition of an agreement, the Company will immediately inform the creditor so as to find a reasonable and mutually-acceptable solution. The Company strives to maintain good relationships and mutual trust with creditors. However, the Company has controlled the capital management at appropriate level to prevent the Company from experiencing difficulties in repaying creditors. There is also a liquidity management on debt repayment to meet the maturity in a timely manner. The management is responsible for planning, monitoring and controlling the financial position of business sector to cover the significant risks under either normal circumstances or crisis.

## Principle 8 Ensure Engagement and Communication with Shareholders

### 1. Right of Shareholders

- The Company shall hold an Annual General Meeting of Shareholders (AGM) within 4 months of the end of the Company's fiscal year. The meeting will consider the Annual Report of the Board of Directors presenting the operational performance of the past year, statements of financial position, statements of comprehensive income, dividend distribution and legal reserve appropriation, election of directors to fill the vacancy caused by expiration of service term, director's remuneration, appointment of auditor and auditor's remuneration.
- For Annual General Meeting of Shareholders (AGM), the Company shall separate the agendas between the appointment of directors and the director's remuneration. The Company provides the ballot to shareholders to use for proposing candidates and voting directors as an individual.
- The Company shall hold an extraordinary general meeting of shareholders as the Board of Directors thinks fit. Shareholders holding shares amounting to not less than one-fifth of the total shares issued, or shareholders numbering not less than 25 persons holding shares amounting to not less than one-tenth of the total shares issued, shall be entitled to direct the Board of Directors to convene a shareholders' meeting. The name of such persons and the reasons for calling such meeting shall be clearly stated in such request. The Board of Directors shall proceed to call a shareholders' meeting to be held within one month of the date of receipt of such request from the said shareholders.
- The Company shall disclose the Board resolutions regarding the determination of AGM date and the meeting agendas with the reasonable details through the SET online system and the Company's website no later than the next working day after the Board having resolution.

- In calling a shareholders' meeting, the Company shall prepare a written notice calling the meeting that states the place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable details by indicating clearly whether it is the matter proposed for information, for approval or for consideration, as the case may be, including the opinions of the Board of Directors in the said matters, and the said notice shall be delivered to the shareholders and the Registrar for their information at least 21 days prior to the date of the meeting.
- At a shareholders' meeting, in order to constitute a quorum, there shall be shareholders and proxies (if any) amounting to not less than 25 persons and holding shares amounting to not less than one-third of the total number of shares issued. The Chairman of the Board of Directors shall be the chairman of the meeting and conducting the meeting according to the sequence in the agenda stated in the meeting notice, and it is the policy not to add items to the agenda without advance notice to shareholders.
- In a regular agenda, the ballot shall be used in the event any shareholder would like to cast a negative vote or abstain from voting. The ballot shall always be used in important agenda such as election of directors, approving connected transactions, acquisition or disposal of assets, amendment of memorandum of association and articles of association.
- The Company shall ensure that shareholders have the opportunity to propose the agenda for AGM as it deems material and beneficial including to propose candidate for selection as director in advance, and to submit questions which are related to the Company prior the meeting date, the procedures of which are published on the Company's website.
- Adequate time shall be allocated for the meeting and equal opportunities provided for shareholders to express their opinions and ask questions.
- The Company's policy to facilitate and encourage shareholders to attend and participate at the shareholders' meeting has been established and posted on its website.
- The Company shall post meeting documents and meeting notices in both Thai and English languages on its website at least 30 days prior to the meeting date so that the shareholders can study the information for the meeting in advance.
- The Company shall ensure that shareholders have the opportunity to ask questions and shall record important issues raised by the shareholders and explanation of the Board as well as recording clearly the number of affirmative votes, negative votes, and abstained votes, in the meeting minutes, once having votes in any respective agenda. Two shareholders are invited to act as witness in the counting of votes, and VDO has been recorded during the meeting until the meeting finishes.
- The Company shall disclose the resolutions together with voting result through the SET online system within the next day after the meeting date.
- The Company shall post a draft minutes of the shareholders' meeting on the Company's website within 14 days of the completion of the meeting. The shareholders may inspect the correctness and may make objection if necessary without having to wait until the next meeting to do so.
- The Company participates in SET Opportunity Day, arranged by the Stock Exchange of Thailand. The objective of the event is to provide an opportunity for listed companies to carry out investor relations activities and to clarify information about the business and operations to security analysts, investors and the media who attending the event. The Company always joins the activity at least once a year with approximately 20-30 participants attended the meeting (excluding audience participation through online channel).

## 2. Equitable Treatment of Shareholders

- Regardless of their gender, age, skin color, race, nationality, religion, belief, political preference, or any physical handicap, the Company values all shareholders by protecting their fundamental rights equally and fairly, including applies the one share one vote principle to ensure the investment confidence.

- The Company shall provide a proxy form B, in which a shareholder can give comments on his votes, enclosed in the meeting notices stating clearly the required documents and procedure for appointment of proxy to attend the meeting. A shareholder who cannot attend the meeting in person but would like to exercise his voting right may appoint another person as proxy to attend and vote at the meeting. He may also appoint an independent director as his proxy.
- The Company establishes the policy for prevention of utilising insider information, and informs the same to employees, executives, and directors (details in Principle 6 item 3.1).
- The Company discloses business connected transactions with its subsidiary, which is normal business on fair and at arm's length basis (details in Principle 6 item 3.2).

## The Implementation of Corporate Governance Code for Listed Companies 2018

The Company has reviewed the Corporate Governance Policy, developed from the 2012 Good Corporate Governance Principles for listed Companies in aligning with the guideline set by the Stock Exchange of Thailand, and the 2017 Corporate Governance Code for Listed Companies as prescribed by the Office of Securities and Exchange Commission. After consideration, the Board of Director founded that the Company has adopted most of 8 principles that are suitable for the Company's business. If any of the Principles cannot be applied or are not applicable, an explanation shall be provided at the Board Meeting.

However, there are some principles that the Company has not adopted or put into practice, which the management clarified the reasons at the Board Meeting to adjust and ensure the suitability for the Company's business at the next step. The key non-conformed principles are included as follows:-

Principles not exercised	Reasons for not exercising
The Board of Directors to determine that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment	Every Director has knowledge, capability, experience and an understanding in the business operation, with independence in expressing opinions deemed beneficial for the Company. The experience of Directors from long-term tenure will support them to understand the Company's operation which has the particular nature of business.
To arrange the Board Meeting of more than 6 times a year	In 2018, the Board of Directors held 6 regular meetings. The Company determines that the meeting shall be held at least once in every quarter, which is considered suitable, adequacy and up to date.
To determine a minimum quorum of at least 2/3 when the Board making the decision	According to the Company's AOA, at the Board Meeting, there must be presented not less than one half of the total number of Directors to form a quorum which is legitimacy and compliance with international principle. With such principle, it is able to conduct meeting orderly, transparency and efficiency.
The appointment of the Corporate Governance Committee (CG Committee)	The Company does not establish CG Committee in particular but assigns the Audit Committee to oversee the matters, including the CG principles and business ethics. This is to encourage everyone in the organisation to conform to the principles. The Company believes that is adequate for the current business scope of the Company while still ensuring efficiency of its operation.
The Board members not comprise independent directors more than 50%	The Board of Directors comprises 7 members, 3 of whom are independent directors (representing less than 50% but more than one-third of the total number of Directors), and the Chairman of the Board is an independent director. Such composition is considered to reflect the appropriate balance of power. In addition, independent directors are able to work effectively with all directors with independence in expressing their opinions.