

## Corporate Governance Report

The Board of Directors of Thai Union Group Public Company Limited has realized the importance of good corporate governance, which should be provided by the company to support its operations for sustainable growth and wider acceptance in both the domestic and international markets. For this reason, the Board of Directors has been committed to running operations under a good corporate governance framework, which comprises directors and executives who are leaders with visions and responsibilities, and a management structure which controls, monitors, provides checks and balances for fairness, morality and transparency concerning the equity of the shareholders and the stakeholders in order to increase the competitive advantage, which will build confidence among shareholders, investors and stakeholders, to make the company operate with efficiency, stability, and sustainable growth along with added value in the investments for the shareholders in the long term.

### Operations under good corporate governance

The Board of Directors has set up a good corporate governance policy for registered companies by adhering to the principles of good corporate governance of the Stock Exchange of Thailand and has consistently reviewed, adjusted and improved this for suitability to ensure that the duties of the Board of Directors are performed with effectiveness and constant good corporate governance.

The Board of Directors has verified the performance in accordance with the policy in 2018 and found that the performance was in accordance with the stipulated policy and work processes, except for a few matters, resulting in implementation pauses as follows:

Principles/Good Corporate Governance of the Stock Exchange of Thailand	The Company's Explanation
<p>Equitable Treatment of Shareholders:</p> <p>The delivery of the invitation to shareholders 21 days prior to the Annual General Meeting of Shareholders</p>	<p>Due to the preparation of the annual report, we have to wait for the results of operations for 2017 and will be prepared and audited by the Auditor within 60 days of the date of the balance sheet on December 31, 2017. The company has scheduled a board meeting to consider and approve the results of operations on February 20, 2018, which will take at least 14 days to close and compile the shareholders' list which the company has scheduled on March 7, 2018 and take about five days after the closing date to distribute the meeting invitation letter due to the waiting list of shareholders' registrar and postal process on March 21, 2018. As the company has set the date for the Annual General Meeting on April 5, 2018, this will affect sending the invitation letter to shareholders at least 21 days prior to the meeting date.</p> <p>However, the company publicized the Invitation to the 2018 Annual General Meeting of Shareholders along with the documents in which details with sufficiently and accurately provided on <a href="http://www.thaiunion.com">www.thaiunion.com</a> since 2 March 2018 – 34 days prior to the Annual General Meeting of Shareholders.</p> <p>Moreover, the company understands that the company may defer the Annual General Meeting in order to give shareholders more time to read and study the invitation letter, but due to April having many holidays that results in a large number of SET listed companies holding their meetings after Songkran, then the company considers to set the meeting previously in order to have more shareholders attend.</p>

Principles/Good Corporate Governance of the Stock Exchange of Thailand	The Company's Explanation
<p>Board Responsibilities:</p> <p>The Chairman of the company should be an independent director.</p>	<p>The Chairman of the company is Mr. Kraisorn Chansiri, who founded the company and holds the position of major shareholder, resulting in a lack of qualifications as an independent director.</p> <p>However, the Nomination and Remuneration Committee had considered, then gave their opinion that he has a long experience and vision, can control ensure that all directors are expected to participate in a corporate culture that promotes ethical and good governance. You can control the meetings as beneficial to the organization. All this can be proven by the works of the past 30 years, the company almost from the company's market value registered 20 billion to become 100 billion baht. The company has been steadily growing until now.</p>
<p>An independent director should not remain in the position of Director of the company for more than 9 years.</p>	<p>Although Mr. Sakdi Kiewkarnkha has been an independent director of the Company for 18 years, his commitment and his capabilities, which can be verified by the Audit Committee Report, make the Board of Directors feel confident that he will definitely not create the state of being non-independent, not to mention the other three independent directors who have held the Company for not too long, thus the Board believes that checks and balances will be properly implemented.</p>
<p>Each of the company's directors should regularly attend meetings (at least 75 percent of all meetings).</p>	<p>Since one member of the Board of Directors has been appointed by our business alliance of more than 25 years, Mitsubishi Corporation, represented by Mr. Kiyotaka Kikuchi, who reside in Japan, it is unavoidable that he could not attend meetings as scheduled. Nevertheless, the company sent the meeting agendas along with supporting documents to all directors and made opportunities for directors to question and comment directly to the Group Chief Financial Officer of the company before the meeting days.</p>
<p>The board should have at least one woman as an independent director.</p>	<p>The company has a policy of diversifying the structure of the Board, professionally and in terms of skills, specializations, and gender, because currently the company has a sufficient number of directors. When the company has the opportunity to nominate directors, it is ready and willing to have an independent woman director on the committee.</p>

Principles/Good Corporate Governance of the Stock Exchange of Thailand	The Company's Explanation
The board should appoint Corporate Governance Committee	The Company is being studied and considered accordingly.
Companies should provide project grants to executives to purchase shares of the company for the period of three years and set the exercise price higher than the market price at the time of allocation of rights, including no significant concentration up to 5 percent.	The Company is being studied and considered accordingly.

To comply with the principles of Corporate Governance Code (CG Code) for listed companies of the Securities and Exchange Commission as well as the business leadership concept, and delineated as the Board's roles and responsibilities for the company's long term sustainable value creation. In this regard, the value created should not only be good for the company but also for its shareholders, stakeholders, the capital market and the society at large. This report sets out the guidelines for the directors with 8 principles as follows;

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

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

The Board of Directors is authorized to manage the company in conformity with objectives, regulations and shareholder resolutions with honesty, in good faith, and for the best interests of the company. Additionally, the Board of Directors is responsible for setting corporate policy and direction as well as ensuring that the management implements the policy effectively and efficiently.

Board members are required to disclose any material interests in transactions or contracts which the company enters into and increase/decrease in share/debenture ownership in the company or its subsidiaries during any fiscal year. The Board of Directors is authorized to implement and direct the company's activities except for the following issues, which require prior shareholder approval:

- 1) Any issue that requires shareholder approval, pursuant to the law;
- 2) Altering the company's par value or registered capital;
- 3) Increasing the company's Board members.

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4) Any deed that yields the Board of Directors a gain or loss or any deed that is obliged, by SET regulations, to have shareholder's approval.

The Board of Directors is responsible to the shareholders in overseeing the company's business operations and steering the company towards the agreed targets and on a path that maximizes shareholders' long term benefits, with consideration to business ethics and fairness to all relevant stakeholders. Duties and Responsibilities of the Board of Directors are as follows:

- 1) Manage the company in accordance with the objectives, regulations, and decisions set by the shareholders' meetings, and oversees the company's business operations.
- 2) Set targets and business policies to be implemented by the management.
- 3) Develop strategies, goals, corporate policies and investment policies.
- 4) Monitors the implementation of the strategy, goals and policies to comply with the Company's objectives.
- 5) Oversee the management's performance to ensure effectiveness.
- 6) Hold at least five Board meetings per year.
- 7) Hold at least one general shareholders' meeting to report the company's operating results and request approval on management matters that are beyond the scope of the directors' authorization.
- 8) Monitor operating results and the financial status of the company and its subsidiaries.
- 9) Approve quarterly and annual financial reports, information disclosure reports (Form 56-1), and the annual report (56-2), in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 10) Prepare a report on the Board of Directors' accountability for financial reporting, to be shown in conjunction with the auditor's report in the company's annual report, to give assurance that the company's financial reports are accurate and have been prepared based on standard accounting principles and consistent accounting policy.
- 11) Set up the company's internal control system, internal audit system, and an effective risk management system.
- 12) Propose the appointment of auditor and set the level of compensation as proposed by the Audit Committee.
- 13) Propose the list of directors to be replaced and their replacement to the general shareholders' meeting.
- 14) Propose the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.
- 15) Examine and approve matters proposed by the management committee and related to connected transactions, potential conflict of interests, purchase and sales of assets and other matters as specified in the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 16) Examine and approve the company's transactions involving legally-binding contractual obligations, debts obligations, and guarantees.
- 17) Approve the appointment and set the scope of work and compensation for the company's sub-committees.
- 18) Set the number of other companies in which President & CEO may hold position of Director.
- 19) Sets and approves a written corporate governance policy for the company and review the policy and compliance to the policy regularly, at least annually.

- 20) Sets and monitor a written code of business conduct and anti-corruption policy that all directors, executives and employees understand business ethical standards and guideline of the company.
- 21) Approve the appointment of the company's secretary.
- 22) Adhere to the Principle of Good Corporate Governance for Listed Companies, and other requirements on this subject by the Stock Exchange of Thailand and the Securities and Exchange Commission.

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

The Board together sets the objectives and main goal including running business policies of company groups. In consideration of situations under in each environment relating to company visions and missions. By Analysis the environment within the organization in order to know the strengths and weaknesses, get the competitive positions and analyze the environment beyond organization, for example economic, society and environment factors, legal issues and market competition. To determine and understand the changes beyond the organization both an opportunity and obstacle for the organization including the support of innovation and technology to add the value and bring into the sustainable growth.

Analysis of changes of all these factors may affect to business and stakeholders so the board supports cultivating values to consider good corporate governance for always practices. The cooperation of all employees to help developing the organization continuously and aware of the importance of sustainable organization.

In addition, the board formulates strategies, policies, plans and budgets of the organization which assigned and followed by the management to do the practices effectively.

## **Principle 3 : Strengthen Board Effectiveness**

The Board understands the roles and their own responsibility by dividing clearly between the Board and management to whom the Chairman and CEO are not the same persons. The Board defines the roles and control to supervise the operation of the management for practices ethically. According to the policies effectively as well as not having the conflict of interest between stakeholders with the disclosure of company information completely and accurate consistently.

### **3.1 Structure of the Board and proportion of independent directors**

The Board of Directors consists of experienced and knowledgeable directors in various fields e.g. engineering, business management, accounting and finance, engineering, law, and information Technology. All of whom have attended the Direct Accreditation Program of the Thai Institute of Directors Association (IOD).

The structure of the Board of the Company in 2018 consists of five committees as follows:

1. Board of Directors
2. Audit Committee
3. Executive Directors
4. Nomination and Remuneration Committee
5. Risk Management Committee

The company has clearly established and separated the authority of each committee. The consideration of any important issues must be approved by each committee which has specific responsibilities before being proposed to the Board of Directors for consideration or acknowledgement so as to balance the power and ensure transparency and fairness to all related parties.

#### Proportion of Independent Directors on the Board

Board of Directors	Persons	Proportion
Executive Directors	6	50.00
Independent Directors	4	33.33
Non-executive Directors	2	16.67

#### Length of Directors' Tenure

Period of tenure	Persons	Proportion
0 - 5 years	2	50.00
More than 5 years - 9 years	3	33.33
More than 9 years	7	16.67

#### Independent Director

Under the Corporate Governance Policy, at least one-third of board members and not less than three persons, must be independent directors with a 3-year term of office. These directors should be qualified and independent in line with the same qualification criteria described in the Notification Governing Qualifications and Responsibilities of Audit Committee established by the Stock Exchange of Thailand. In addition, a person qualified to serve as independent director must be able to perform duties to preserve the best interests of all shareholders in an equitable manner without conflicts of interest and be available in Board meetings to give independent and unbiased opinions and judgments.

#### Qualification of Independent Director

- 1) Not hold shares more than 0.05% of total voting stocks of TU including stocks held by connected persons of the independent director, as well as nominees.
- 2) Not be nor have been a major shareholder.
- 3) Not be nor have been board member of its parent company or an executive director, employee, staff, advisor who receives the salary of a controlling person of TU, its parent company, its subsidiaries or its associated companies.
- 4) Not be any professional advisor.
- 5) Not have nor have had a business relationship with the company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment.
- 6) Not be appointed as a representative of the company's or its major shareholder's board members or a shareholder who is related to the company's major shareholders.

7) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the company's business affairs.

The afore-mentioned definition of independent director is based on the Company's Corporate Governance Policy established by the Board. Moreover, the company's criteria are stricter than "the criteria" required by the Stock Exchange of Thailand and the Securities and Exchange Commission in terms of stock holding ratio.

### **The Board of Directors**

It is the duty of the Board of Directors to supervise the company's operations to be conducted in accordance with the laws, the objectives and the regulations of the company, the corporate governance policy and the resolutions of the Board of Directors' meetings, the company's vision, the goals, the business policy, and the direction of the company's operations. The Board of Directors also monitors the performances of the directors to ensure they are carried out with morality and effectiveness in pursuant to the stipulated policy, and to make certain that conflicts of interest shall not be made between the stakeholders of the company by disclosing the company's information in a complete, accurate and constant manner.

### **The Composition of the Board of Directors**

The Board of Directors is comprised of directors who are knowledgeable, experienced and competent in the various aspect the business. As at December 31, 2018, the Board of Directors was comprised of 12 members.

<b>Name of Director</b>	<b>Position</b>	<b>Date First Appointed</b>
1. Mr. Kraisorn Chansiri	Chairman	17 March 1988
2. Mr. Cheng Niruttinanon	Executive Chairman	8 April 1999
3. Mr. Thiraphong Chansiri	President & CEO	1 January 1990
4. Mr. Chuan Tangchansiri	Executive Director	17 March 1988
5. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit	5 January 1998
6. Mr. Shue Chung Chan	Executive Director	30 April 2001
7. Mr. Kiyotaka Kikuchi	Non-Executive Director	7 November 2016
8. Mr. Ravinder Singh Grewal Sarbjit S	Non-Executive Director	15 November 2010
9. Mr. Sakdi Kiewkarnkha	Independent Director	22 August 2000
10. Dr. Thamnoon Ananthothai	Independent Director	22 March 2010
11. Mr. Kirati Assakul	Independent Director	22 March 2010
12. Mr. Nart Liuchareon	Independent Director	3 April 2015

Paralee Sukhatungka, Company Secretary



### Authorized Directors to sign contracts

At least two directors of the company shall cosign and affix the company's seal, or in some cases the directors may appoint names as the authorized directors.

### Subcommittees

The Board of Directors set up five subcommittees, that consist of the set of directors and the set of directors working with the management team, to prescreen the issues before bringing the important ones to the consideration of the Board of Directors as follows:

- 1) The Audit Committee
- 2) The Nomination and Remuneration Committee
- 3) The Risk Management Committee
- 4) Treasury Committee
- 5) Sustainable Development Committee

### The Audit Committee

Membership and meeting attendance 2018

Name	Position	Status	Meeting attended
1. Mr. Sakdi Kiewkarnkha	Chairman	Independent Director	14/14 (100 percent)
2. Dr. Thamnoon Ananthothai	Member	Independent Director	13/14 (92.9 percent)
3. Mr. Nart Liuchareon	Member	Independent Director	12/14 (85.7 percent)

The Audit Committee was established by the approval of the Board of the Directors on 15 November 1999 for the purpose of supporting and acting on behalf of the Board of Directors to review the financial information to be presented to the shareholders and other stakeholders, and to review the risk management systems, the internal control systems, the internal audits and good corporate governance, and to control the anti-corruption measures as well as to review the financial reports' preparation for the company's transparent and trustworthy operations and disclosure of information.

The Audit Committee must be directors of the company who are qualified as independent directors and consist of not less than three members, comprised of one Chairman of the Audit Committee and two audit committee members and at least one of them must possess sufficient knowledge and experience in order to perform his/her/their duties of reviewing the credibility of the financial statements. All three are independent directors who have the qualifications required by the Office of Securities and Exchange Commission and are experts in accounting and finance, corporate management and laws. Nevertheless, all independent directors do not hold the position of director, employee or consultant of the company.

The Audit Committee shall hold at least 12 meetings per year and report their performance to the Board of Directors at least twice a year.

## Role of the Audit Committee

The duties of the Audit Committee are as follows:

1. Review the appropriateness of the financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness, and adequacy.
2. Encourage the development of a financial reporting system equivalent to International Financial Reporting Standards.
3. Review the compliance of the company's Internal Control System with Internal Control Framework (COSO 2013) and the appropriateness and the effectiveness of the company's Internal Audit System in accordance with internationally accepted approaches and standards.
4. Review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Team to ensure that the company has sufficient internal control systems.
5. Review the presence of a proactive preventive system to enhance operating effectiveness and efficiency and review the preventive measures in the organization and review the internal processes of the whistleblower system.
6. Review the internal audit process and the corporate risk management system.
7. Review the company's Compliance Procedure in accordance with the Securities and Exchange Act, rules, regulations and other laws relevant to the company's business and the resolution of the Board's meeting.
8. Review the correctness and effectiveness of the information technology system relating to internal controls, financial reports, risk management and data & network security together with suggest updates and improvements as needed.
9. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.
10. Review the execution of the audit committee members' performance assessment, both as a whole and self-assessment, of the audit committee annually.
11. Review and give the opinion toward the audit practices of the Internal Audit Team and coordinate with external auditors.
12. Prepare the Audit Committee's report to be disclosed in the company's Annual Report and duly signed by the Chairman of the Audit Committee and containing opinions on various matters as required by the SET.
13. Consider, select and propose the appointment, or discharge an independent person to perform the duties of, the company's auditor and also propose the remuneration of the company's external auditor and evaluate the effectiveness of external auditor's performance and organize meetings with the company's external auditor, without the attendance of management, at least once a year.
14. Approve the internal audit plan, budget and manpower of the Internal Audit Team.
15. Review the execution of the Internal Audit Team for the performance assessment according to international standards.
16. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the General Manager – Audit Unit.

17. Consider the independence of the Internal Audit Team based upon the execution of work, reports, and line of command.
18. Review the adequacy of the good corporate governance systems both of the domestic and foreign subsidiary companies.
19. Consider the external consultants to provide the suggestions or assistance in the operations of internal audit.
20. Review the Audit Committee Charter and Internal Audit Charter to be the proper charter at least once a year.
21. Visit the business units of the company and the domestic and foreign subsidiary companies to review the risk management and internal control systems, the important operational systems and regulations as well as problems and comments of the external auditors and the internal audit team.
22. Review the Company's Anti-corruption procedures to ensure the effective compliance with the governance bodies' guidelines starting from assessing the risks, strengthen internal control system, auditing, as well as reviewing the self- assessment form regarding anticorruption measures as assessed by Audit Unit, and to ensure that the Company has exercised the Anti-corruption systems as reported in the self-assessment form guided by Thai Institute of Directors (IOD).
23. Perform other actions as required by law or as assigned by the Board of Directors under the consent of the Audit Committee.

To fulfill its duties under its scope of responsibilities, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deem appropriate, at the company's expense.

The Audit Committee performs duties within its 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.

#### **Responsibilities of the Audit Committee**

1. In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for the business operations of the company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.
2. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the company, the Audit Committee is to report such events to the Board of Directors in order to find a remedy within a period deemed appropriate by the Audit Committee:
  - 2.1 Transaction which may cause conflicts of interest.
  - 2.2 Fraud or irregular events or material flaws in the internal control system.
  - 2.3 Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

Details of the operations of the Audit Committee have been disclosed in the Audit Committee Report.

### The Nomination and Remuneration Committee

Membership and meeting attendance 2018

Name	Position	Status	Meeting attended
1. Dr. Thamnoon Ananthothai	Chairman	Independent Director	2/2 (100 percent)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	2/2 (100 percent)

The Board of Directors has set up the Nomination and Remuneration Committee since 1 November 2010 for a period of three years for each term. The Committee is comprised of one Chairman of the Nomination and Remuneration Committee and one member of the Nomination and Remuneration Committee. Both members are independent directors and have the qualifications required by the Office of Securities and Exchange Commission. They are knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.

### Role and responsibilities

1. Set the company's policy and criteria on the nomination and selection of candidates for the membership in the Board of Directors and sub-committees, and propose a list of candidates to the Board of Directors for approval.
2. Consider the criteria for succession for high-ranking executives.
3. Consider and propose financial and non-financial compensation for the members of the Board of Directors and sub-committees.
4. Propose compensation for the company's directors to the Board of Directors for consideration and subsequent approval by the Shareholders.
5. Propose compensation for members of the sub-committees to the Board of Directors for approval.
6. Propose compensation for the company's President and Managing Directors to the Board of Directors for approval.
7. Review proposals from the company's management about remuneration policy for staff, as well as non-wage benefits, and recommend the matters to the Board of Directors for approval.
8. Review proposals from the company's management about financial compensation and other benefits for the company's executives, and recommend the matters to the Board of Directors for approval.
9. Prepare a report on the Committee's performance to be submitted to the Board of Directors at least twice a year.
10. Carry out any other tasks related to the consideration of nomination and remuneration assigned by the Board of Directors.

Details of the operations of the Nomination and Remuneration Committee have been disclosed in the Nomination and Remuneration Committee Report.

## The Risk Management Committee

Membership and meeting attendance 2018

Name	Position	Status	Meeting attended
1. Mr. Kirati Assakul	Chairman	Independent Director	4/5 (80 percent)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	4/5 (80 percent)
3. Dr. Thamnoon Ananthothai	Member	Independent Director	5/5 (100 percent)
4. Mr. Thiraphong Chansiri	Member	Executive Director	5/5 (100 percent)
5. Mr. Shue Chung Chan	Member	Executive Director	5/5 (100 percent)

The Board of Directors has set up the Risk Management Committee since 1 November 2010 for a period of three years for each term. The Committee is comprised of three independent directors, two directors, and the chief executive administrators of main business while most of the directors are independent directors whose qualifications meet the standards required by the Office of Securities and Exchange Commission. They are also knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.

### Role and responsibilities

1. Establish the risk management policy and framework.
2. Continuously monitor and develop the risk management framework and risk management process of company and its subsidiaries, aligned with international guidelines.
3. Oversee the continuous activities of assessment, analysis and review of the Company and its subsidiaries' significant risks, under normal and crisis condition
4. Consider and provide comment on the Company's risk appetite and risk assessment criteria.
5. Acknowledge and provide comment on the adequacy and appropriateness of risk assessment results and mitigations.
6. Oversee the implementation of risk management, aligned with the risk management framework.
7. Regularly report the Company's significant risks, mitigations and improvement to the Board of Directors.
8. Encourage risk management culture and cooperation in the Company and its subsidiaries.
9. Oversee and support risk management function to be aligned with the Company's policies and objectives.
10. Communicate and share the information of significant risks and mitigations with Audit Committee at least yearly.
11. Provide comments and recommendations on the use of external advisor regarding risk management framework, scope and implementation.
12. In case of workload over resources of Risk Management Department, provide comments and recommendations on the use of external service provider in assisting risk management function.
13. Carry out any tasks related to the consideration of risk management assigned by the Board of Directors.

Details of the operations of the Risk Management Committee have been disclosed in the Risk Management Committee Report.

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### **Treasury Committee (“TC”)**

The Board of Directors no.1/2014 on 24 February, 2014 approved setting up the Treasury Committee, which will have direct responsibilities for oversight of the risk management policy and procedures. This includes providing advice and authorizing the treasury execution team to minimize such financial risks to acceptable levels due to the fact that the main Thai operations for Thai Union Group has been gradually exposed to increased foreign exchange risks, interest rate risks, funding and refinancing risks, liquidity risks, counter party credit risks, and operational compliance risks from the expanding business. Therefore, the impact from financial risks can have a significant effect on the Group's financial performance.

The composition of the Treasury Committee will be (1) Chairman, (2) CEO, (3) President of Global Frozen and Related Unit, and (4) Group CFO. It is scheduled for the Treasury Committee to have an annual meeting to review treasury policy. Any special meeting can be requested to approve any activities which are considered risky and over the authorization limit of the Treasury execution team.

### **Role and responsibilities**

The treasury committees are collectively responsible for developing Thai Union Group's financial risk management principles and expectations as well as defining Thai Union Group's acceptable risk appetite and tolerance, approve policy and procedures and monitor and enforce compliance with the policy and procedures.

1. Identify the financial risks to the Group and ensure that procedures are established to mitigate the impact of the risks for the best benefit of the Group.
2. Oversight of the risk management policy and processes adopted by the company, approve and authorize the policy.
3. Delegation of these Policy Limits to the Execution Team.
4. Ensuring compliance with the terms of policy.
5. Minimum annual review of policy limits.

### **Sustainable Development Committee**

The Board of Directors no.4/2014 on 13 August 2014 has approved to the set up of the Sustainable Development Committee of which Mr. Thiraphong Chansiri is the Chairman, Mr. Cheng Niruttinanon is the Committee's consultant and the chief executive administrators of the main business are the committee whose duties will be planning policies of the sustainability of the company, monitoring and encouraging the operation of the five groups including the working group for Corporate Social Responsibility, Ethical Labor Practice, Human Capital Development, Energy, Environment & Climate Change, and Sustainable Supply Chain, while the Sustainable Development Working Group will be responsible for coordinating the work of five groups and affiliated companies both in country and overseas.

### **Separation of Roles and Duties of the Board of Directors**

The Company clearly specifies and separates the power of the Board of Directors from the Management in each level. The consideration of any important issues must be approved by the Board of Directors and subcommittee so as to balance the power and ensure transparency and fairness to all related parties.

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### **Separation between Chairman of the Board of Directors and Chief Executive Officer**

The Chairman and Chief Executive Officer of the company is not the same person, clearly separating between policy and management.

#### **Role and Responsibilities of Chairman of the Board of Directors:**

1. The Chairman of the Board of Directors meeting has to preside over the meeting, except if they are absent or cannot perform their duties.
2. Consider the agendas of the Board of Directors meeting.
3. Oversees policy advocacy and strategic performing manner of the company's management but shall not practice in the daily operation.
4. Monitor the meeting effectively according to company policy and encourage all directors to express their opinions independently.
5. Support and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance.
6. Oversees and follows up on the performance of the Board of Directors and other sub-committees to achieve the company's objectives.
7. Decides in the case that the Board of Directors meeting votes are equal.

#### **Role and Responsibilities of Chief Executive Officer (CEO)**

The Chief Executive Officer is designated by the Board of Directors as authorized person to manage, includes policy-making, decision-making and corporate decision-making include the following:

- 1) Administering the Company's business and day-to-day operation to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
- 2) Arrange to prepare the Company's business policies, business plans and budget to be proposed to the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors.
- 3) Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.
- 4) Authorized to act on the company's behalf to enter into contractual arrangements as prescribed in the Company's policy and procedures regarding the operational approval authority.
- 5) Ensure good governance, compliance with the law, ethical standards and anti-corruption policy.
- 6) Maintain good relationship with the stakeholders.
- 7) Communicate effectively in positive image with public, shareholders, customers and stakeholders.
- 8) Manage the Company's HR operation to issue / amend / add / update rules and regulations and personnel policies and procedures.
- 9) Be authorized to sub-authorize and/or delegate other persons to perform specific duties on his behalf. Such sub-authorization and/or delegation shall be within the scope of authorization or delegation in accordance with the



power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest, may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

Therefore, the Chief Executive Officer is also required to hold a position of director of no more than 3 companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties.

## **Executive Directors**

### **Authority of Executive Directors**

1. Implement the company's policy, which obliges to laws, conditions, regulations, and rules of the company, except for those issues subject to the consent of shareholders.
2. Set, propose and devise business policy and strategy to the Board of Directors.
3. Set business plan, business management authority, annual budget estimation, and budget allocation to the Board of Directors for review and approval, as well as follow the business plan and strategy in accordance with the corporate policy and business guidelines to propose to the Board of Directors.
4. Handle general business administration, set up organization and management structures to cover all aspects of personnel recruitment, training, employment, and employment termination.
5. Approve credit facility requests made to financial institutions, including giving collateral or making any payment for normal business transactions, e.g. payment made for branch expansion investment or any regular business operations. The approval of the said credit facility must involve not over THB 200 million or equivalent in value, or the value as approved by the Board of Directors. However, the credit facility value allowed for approval may be subject to change as deemed appropriate depending on the consideration of the Board of Directors.
6. Appoint or dismiss any employee holding a position lower than managing director.
7. Perform other duties as assigned by the Board of Directors.

In addition, the above-mentioned approval authorities must not be in nature of any business transactions that allow executive directors, or their authorized persons, to grant further approval for transactions that involve a conflict of interest, vested interest, or any other forms of conflicts of interest (according to the company's articles of association and pursuant to the Notifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the company or its subsidiaries. An exception is made for approval given for business transactions in accordance with corporate policy and criteria approved by the Board of Directors, provided that executive directors with vested interest in such issues are not eligible for voting rights. The Board of Directors is authorized to make changes to the authority of the executive directors as deemed necessary or appropriate.



### 3.2 Chairman of the Board of Directors

The Chairman of the Board of Directors has the duties to oversee policy advocacy and strategic performing manner of the company's management but shall not practice in the daily operation, monitors the meeting effectively according to company policy and encourage all directors to express their opinions independently, supports and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance, and decides in the case that the Board of Directors meeting votes are equal.

### 3.3 The nomination of Directors and terms of the Directors

#### Nomination Process

The Nomination and Remuneration Committee is responsible for nominating the director, who has knowledge, capability, work experience, integrity, ethics and dedicates the necessary time for the Company to share the skill and experience in business and working for the Company. The objective is for the Board's composition for the business directions and do not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. The directors must contribute their time and knowledge in their performance in the Company.

The Nomination and Remuneration Committee shall propose to the Board for a director, whose qualifications are deemed appropriate and qualified pursuant to the Public Companies Limited Act. as follows;

- Directors may be re-elected after the expiration of the term of office except when the director position becomes vacant not by rotation, the Nomination and Remuneration Committee will be nominating a suitable candidate and propose to the Board of Directors' Meeting in order to appoint a substitute director to fill the vacant position as required by the Articles of Association. A substitute director appointed to fill interim vacancy shall be in the office only for the remaining tenure.
- In every Annual General Meeting of Shareholders, one-third of directors are to retire. If the number of the directors is not divisible, the number of retiring directors is to be closest to the one-third ratio. The Nomination and Remuneration Committee will nominate candidates for consideration of the Board of Directors before being proposed to the Annual General Meeting of Shareholders for election to replace the directors who retire by rotation according to criteria and procedures set forth below.
  1. Each shareholder has a right to vote in proportion to share volume owned; the principle of "one share, one vote" is applied.
  2. Each shareholder is required to cast the entire vote owned in one for one or more candidates but cannot split the vote into portions.
  3. Candidates shall be entitled to directorship based on votes received. A candidate with maximum votes is first entitled to directorship and followed by the other candidate with less votes, respectively. As a rule, the number of newly appointed directors must not exceed the number of new directors intended in that election.

Shareholders, if necessary, may pass resolutions to remove any director prior to the statutory expiration of their office term provided (a) three quarters of majority votes of all shareholder's present at a meeting is recorded; and (b) the aggregate share volume owned by shareholders in (a) must be greater than half of the aggregate share volume owned

by all shareholders present at the meeting. Such case shall be effective only when the qualifications of all board members and the management comply fully with Section 68 of the Public Companies Limited Act of 1992 and the SEC's Regulation Governing the Rules, Conditions and Procedures for the Securities Offer and Permission dated 18 May 1992.

In 2018, in the Annual General Meeting of Shareholders in 2018 on 5 April 2018, there are four directors who retire by rotation, namely,

1. Mr. Kraisorn Chansiri
2. Mr. Rittirong Boonmechote
3. Mr. Kirati Assakul (Independent director)
4. Mr. Ravinder Singh Grewal Sarbjit S.

In the Annual General Meeting of Shareholders 2018, the resolution is passed by the majority of votes of all the votes of the shareholders attending the meeting and having the right to vote to reappoint all the four directors for another term of office.

The Board of Directors shall appoint any person deemed professionally recognized and qualified to act as an independent director provided that the appointee is (a) not an employee or staff member receiving a regular salary from the company or its subsidiaries; (b) independent of major dominant shareholders; (c) a shareholder of not more than 0.05% of the respective paid-up capital of the company; and (d) able to equally protect the interests of minority shareholders. The Board of Directors shall consider and vote to appoint qualified candidates and seek further approval during a meeting of shareholders.

#### **Terms of the Directors**

According to the Regulations of the company, in each Annual General Meeting of Shareholders, it is required that the directors who hold the position for the longest period shall leave their position to make up 1/3 of the total number of the directors. If the total number of directors cannot be divided by three, the number of directors to leave the position shall be closest to 1/3 of the total number of directors.

In the case that a position of director has been deposed due to factors other than expired tenure, the resolution of the Board of Directors shall be based on votes of no less than three quarters of the remaining directors in order to select an individual who is qualified and does not have any characteristic trait that is prohibited by the laws of a public company, to be a substitute director for the next Board of Directors' Meeting, except in the case where the term of the said director has less than two months remaining, such person shall hold the position of director for the remaining term of the substituted director.

### Age and Term Limits

The Board of Directors believes that having experienced directors who continuously work with the company increases the value of the company, thus age and term limits have not been applied.

The regulations of the company has been disclosed in the company's website: [www.thaiunion.com](http://www.thaiunion.com) at Investor Relations  
-> Corporate Information

### 3.4 Remuneration for Directors

- Directors are remunerated in the form of a monthly retainer, meeting allowance, and director's bonus comparable in average to the general practice in the industry, suitable for the scope and amount of assigned responsibilities, and with shareholders' approval. Aside from the preceding meeting allowance, directors are not additionally remunerated from the company's subsidiaries.
- Executive directors are remunerated in the form of a monthly retainer, meeting allowance, salary, provident fund matching contribution and annual bonus based mainly on the operational performance of the company and work performance of each director.
- Aside from the preceding monetary remuneration, there is health insurance coverage up to 700,000 baht (for directors who are younger than 70-years-old and a resident in Thailand only).

Name of Director	Position	Monthly retainer, Meeting allowance, and Director's bonus
1. Mr. Kraisorn Chansiri	Chairman	3,113,076.00
2. Mr. Cheng Niruttinanon	Executive Chairman	1,571,538.00
3. Mr. Thiraphong Chansiri	President & CEO	1,666,538.00
4. Mr. Chuan Tangchansiri	Executive Director	1,586,538.00
5. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit	1,586,538.00
6. Mr. Shue Chung Chan	Executive Director	1,666,538.00
7. Mr. Kiyotaka Kikuchi	Non-Executive Director	1,511,538.00
8. Mr. Ravinder Singh Grewal Sarbjit S	Non-Executive Director	1,586,538.00
9. Mr. Sakdi Kiewkarnkha	Independent Director	2,426,538.00
10. Dr. Thamnoon Ananthothai	Independent Director	2,246,538.00
11. Mr. Kirati Assakul	Independent Director	1,811,538.00
12. Mr. Nart Liuchareon	Independent Director	1,886,538.00
		<b>22,659,994.00</b>

The company considers the total amount of annual remuneration paid to the Board of Directors as not high when compared to the average amount paid by other listed companies on the Stock Exchange of Thailand, due to the company's attention to the best interests of shareholders.

The remuneration paid to the Board members in 2018 in comparison with its counterparts in 2017 is set forth below:

Unit : Million baht	Board of Directors	
	2017	2018
Number (Person)	12	12
Monthly Retainer/Meeting Allowance	7.15	6.91
Director's Bonus	15.00	15.75
<b>Total</b>	<b>22.15</b>	<b>22.66</b>

### 3.5 Sufficient time allocation of Directors

#### Holding the position of Director in other companies

The company has a policy to limit the number of other listed companies in which each director may hold the position of Director to be no more than five. Nevertheless, holding such positions shall not affect the duty and performance of the director of the company. Over the years, the Board of Directors has shown that they are able to dedicate their time for the performance of their duty. The Company has continuously and regularly received useful guidance, advice and recommendations on the business operation of the Company.

Name of Director	Other listed company	Subsidiaries of other listed company
1. Mr. Kraisorn Chansiri	-	-
2. Mr. Cheng Niruttinanon	-	-
3. Mr. Thiraphong Chansiri	1	-
4. Mr. Chuan Tangchansiri	-	-
5. Mr. Rittirong Boonmechote	-	-
6. Mr. Shue Chung Chan	-	-
7. Mr. Kiyotaka Kikuchi (Start 7 Nov 16)	-	-
8. Mr. Ravinder Singh Grewal Sarbjit S	-	-
9. Mr. Sakdi Kiewkarnkha	-	-
10. Dr. Thamnoon Ananthothai	3	-
11. Mr. Kirati Assakul	1	-
12. Mr. Nart Liuchareon	-	-

### **Policy on the Position of the Chief Executive Officer in Other Companies**

The Board has a policy that the Chief Executive Officer is also required to hold a position of director of no more than 3 companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties. In order to enable the Chief Executive Officer to dedicate his time to the performance of his duties as the Chief Executive Officer for the utmost benefit of the Company, it is the policy established by the Board of Directors that the Chief Executive Officer must not serve as a Chief Executive Officer in other listed companies.

### **Board Meetings**

#### **Schedules**

The Board of Directors has set the standards for a general meeting to be conducted at least five times a year and sets the dates of the meetings in advance for the whole year so that the directors can attend all meetings and may set additional schedule, if necessary.

#### **Board Agendas**

The Chairman of the Board of the Directors and the Chief Executive Officer collaborate to set the agenda for the meeting while other directors may also present their agenda for consideration. The Company Secretary may also present agendas which are related to the rules and regulations to complete the list.

#### **Distribution of Invitation letter and Supporting Documents**

It is the duty of the Company Secretary to distribute the invitation letter and supporting documents to the meeting along with the agenda and the documents to the directors no less than seven days in advance, except for matters which need urgent consideration.

#### **Board Meetings and the Quorum**

The Board of Directors has set the quorum with a minimum of at least two-thirds of the total members of the directors in order to make a quorum. The Chairman of the Board shall be in charge and allocate sufficient time for each agenda so that the directors may express their opinions while the executives who are involved with that particular agenda present the data and information for an exchange of views. Each meeting shall last 2-3 hours.

#### **Board Minutes**

It is the duty of the Company Secretary to provide the minutes and present to the Chairman of the Board of Directors and to verify and deliver them to each director for comment. A meeting report shall consist of minutes of the resolutions of the meeting along with sufficient and accurate data and information.

#### **Meeting Attendance**

The Directors of the company are committed and always prepared to attend meetings, including the Board of Directors' Meetings, the Sub-Committees' Meetings, and the Annual General Meeting of Shareholders. An exception is reserved only for those directors who reside abroad.

There were 5 meetings in 2018.

Name of Director	2018 AGM (92%)	Board Meeting			
		2017	%	2018	%
1. Mr. Kraisorn Chansiri	Attend	6/6	100.00	3/5	60.00
2. Mr. Cheng Niruttinanon	Attend	4/6	66.67	4/5	80.00
3. Mr. Chuan Tangchansiri	Attend	6/6	100.00	5/5	100.00
4. Mr. Thiraphong Chansiri	Attend	6/6	100.00	5/5	100.00
5. Mr. Rittirong Boonmechote	Attend	6/6	100.00	5/5	100.00
6. Mr. Kiyotaka Kikuchi	Absent	3/6	50.00	0/5	0.00
7. Mr. Ravinder Singh Grewal Sarbjit S	Attend	6/6	100.00	5/5	100.00
8. Mr. Shue Chung Chan	Attend	6/6	100.00	5/5	100.00
9. Mr. Sakdi Kiewkarnkha *	Attend	6/6	100.00	5/5	100.00
10. Dr. Thamnoon Ananthothai *	Attend	5/6	83.33	5/5	100.00
11. Mr. Kirati Assakul *	Attend	4/6	66.67	4/5	80.00
12. Mr. Nart Liuchareon *	Attend	6/6	100.00	5/5	100.00

\*Independent Directors

Remark: Mr. Kiyotaka Kikuchi, who reside outside the Kingdom of Thailand.

### 3.6 Governance framework and practices of subsidiary and associated companies

The Board of Directors is responsible for overseeing the policies and operations of subsidiaries and associated companies that the Company has invested significantly and compliance with our main business plan. In addition, the Board must control the operations of the Company and subsidiaries to comply with the regulations of SET with details summarized as follows:

1. Appoint their representative to be the director or executive of subsidiaries and associated companies in order to monitor the operation of such companies to be in line with the Company's policy.
2. Monitor the operation of subsidiaries or associated companies and sets guidelines to control the operation of such companies.
3. Control the business operation of subsidiaries or associated companies to meet the policy, goals, operation plan, strategy and budget, that are approved by the Board.
4. Approve the budget, transactions of acquisition or disposition of assets, borrowing from financial institutions, lending, capital increase and decrease or business closure that may significantly affect subsidiaries or associated companies' operations.
5. The Audit Committee shall review accuracy and reliability of financial reports, internal control system, internal auditing works, related party transactions, compliance with related law and regulations as well as monitoring and controlling of subsidiaries and associated companies' operations.

**บริษัท ไทยยูเนียน กรุ๊ป จำกัด (มหาชน)**

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6. The Risk Management Committee shall consider the policy and risk management guidelines of subsidiaries and associated companies.

### **3.7 Self-Evaluation of the Directors and the Evaluation of the Board of Directors, Subcommittees and Chief Executive Officer**

The company has set up a policy of self-evaluation for the Board of Directors at least once a year since 2013. The objective was to assist the directors in evaluating performance, issues and obstacles in the previous year as guidelines for improvements and a more effective performance of the Board of the Directors. The Board of Directors has assigned the Nomination and Remuneration Committee to implement the evaluation process.

1. 60 and Lower – Below Standard
2. 61 - 80% - Fair
3. 81 - 90% - Good
4. Over 90% - Very Good

The evaluation has been categorized in the following topics:

#### **Directors Self-Assessment**

- 1) Core Competency
- 2) Independence
- 3) Preparedness
- 4) Practice as a Director
- 5) Board Activities
- 6) Development of Organization

#### **Board of Directors Performance Assessment**

- 1) Structure and Qualification of the Directors
- 2) Role, Duty and Responsibility of the Directors
- 3) The Board of Directors' Meetings
- 4) Performance of the Directors
- 5) The Relationship with the Management team
- 6) Self-development of the Directors and the development of the Executives

#### **Committee Performance Assessment**

- 1) Committee Composition
- 2) Operating Practice
- 3) Committee Governance

#### **CEO Performance Assessment**

- 1) Leadership and Managerial Qualities
- 2) Strategic Direction Setting
- 3) Monitors Strategic
- 4) Planning and Performance

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- 5) Board Relations
- 6) Community Relations
- 7) Management and relationship with employee
- 8) Succession Plan
- 9) Knowledge and Skills
- 10) Personal Qualification

The company secretary has sent evaluation forms of the Board of Directors to the directors, which summarized and presented the evaluation results to the Board of Directors in order to achieve the above-mentioned objectives.

The evaluation of the performance was as follows:

- Board Evaluation with an average score at 87 percent
- Director Evaluation with an average score at 85 percent
- Committee Evaluation with an average score at 88 percent
- CEO Evaluation with an average score at 89 percent

### **3.8 Board Orientation and Continuous Development of Directors**

#### **Orientation of New Directors**

The company has supplied a manual for new directors to be informed of the information of the company, the objectives, the Articles of Association, the organization structure, the rules and regulations and important policies, the operations of the company, which are necessary to facilitate the new directors to perform their duties as a director immediately and express their opinions in the meetings.

In 2018, there is no appointment of new directors so the orientation for new directors has not been organized.

The Board of Directors give importance to capacity development of directors and encourage the directors to attend training courses or seminars that are beneficial for their performance. All directors are welcome to constantly improve their knowledge through training in order to effectively carry out corporate governance of the company. In 2018, Mr. Sakdi Kiewkarnkha, an independent director, attended a training seminar, “Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance”, SET and “Dealing with Cyber Risk in the Boardroom”, the Thai Institute of Directors (IOD). Mr. Rittirong Boonmechote, President of Global Frozen and Related Unit, attended a training seminar “Advanced Master of Management Program (Class 1), NIDA”

The Directors of the company who reside in Thailand have attended various workshops conducted by the Thai Institute of Directors (IOD) and other institutions as follows:



Continuous Development Program	1	2	3	4	5	6	7	8	9
Director Certification Program (DCP)		10/2001			10/2002	13/2011 2/2006 1/2013	70/2006	27/2003	
Director Accreditation Program (DAP)			86/2010	84/2010			48/2005		120/2015
The Role of Chairman Program (RCP)	15/2007					4/2001	14/2006		
The Role of Compensation Committee (RCC)						9/2009		5/2007	
Audit Committee Program (ACP)							10/2005		
Understanding the Fundamental of Financial Statement (UFS)							7/2007		
How to Develop a Risk Management Plan (HRP)						2/2012			
Handling Conflict of Interest (HCI)						4/2008			
TLCA Executive Development Program				2/2009	1/2009				
Advance Audit Committee Program ( AACP)						20/2015			2017
National Director Conference (NDC)						2016 2017			
Audit Committee Forum (ACF)						2016			2016
A discussion on a corporation's preparedness for cybersecurity threats in the digital transformation Era						2016			
The Audit Committee's Role in Compliance and Ethical Culture Oversight						2017			
Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance						2018			
Dealing with Cyber Risk in the Boardroom						2018			
Preparing for cash flow statements, Ministry of Commerce						2016			
Senior Executive Program: Capital Market Academy	12/2011			25/2017					
Advanced Master of Management Program (Class 1): NIDA				2018					

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#### Name of directors

- |                               |  |
|-------------------------------|--|
| 1. Mr. Kraisorn Chansiri,     | Chairman                                       |
| 2. Mr. Thiraphong Chansiri,   | Executive Director and Chief Executive Officer |
| 3. Mr. Chuan Tangchansiri,    | Executive Director                             |
| 4. Mr. Rittirong Boonmechote, | Executive Director                             |
| 5. Mr. Shue Chung Chan,       | Executive Director                             |
| 6. Mr. Sakdi Kiewkarnkha,     | Independent Director                           |
| 7. Dr. Thamnoon Ananthothai,  | Independent Director                           |
| 8. Mr. Kirati Assakul,        | Independent Director                           |
| 9. Mr. Nart Liuchareon,       | Independent Director                           |

As for the capacity building of executives who are staff of the Company, the details will be included in “Human Capital Development”.

### 3.9 Access to Necessary Information

#### Conflicts of Interest

The Board has also provided summary reports for each quarter and will publish the summary on the last day of the year in the Annual Report and the Annual Registration Statement (Form 56-1). Furthermore the company has requested the Directors and the Executives to report to the company on gains and losses of their own or those who are related, particularly on the gains and losses which are related to the management of the business of the company and its subsidiaries in order to provide the company with information for business operations in accordance with the regulations on connected transactions, which may raise conflicts of interest and may lead to transfers of benefits of the company and its subsidiaries in compliance with Section 89/14 of the Securities and Exchange Act B.E. 2551 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the company a report on his interest or a related person's interest in relation to management of the company,

The Board of Directors has stipulated the measures to take care of and monitor transactions which may present conflicts of interest as well as connected transactions by prudently and independently determining the appropriateness of transactions under the framework of good corporate governance which has been constantly practiced for the benefits of the company as if transactions have been conducted with third parties.

#### The Company Secretary

The Board of Directors has made a resolution to appoint a Company Secretary on December 14, 2007. The selected candidate was Mrs. Paralee Sukhatungka, 51, who holds a Master's Degree from the Faculty of Commerce and Accountancy, Thammasat University and attended the training of Company Secretary Program and Anti-Corruption - The Practical Guide 2016, conducted by the Thai Institute of Directors (IOD). Mrs. Paralee will provide support and assistance to the activities of the Board of Directors for the right direction of corporate governance with more accuracy, transparency and efficiency. The assignments under her roles and responsibilities are as follows:

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- Taking care of and arranging the Shareholders' Meetings, writing the Meeting Reports, and securing them in a safe place and arranging them in a chronological order.
- Taking care of and arranging the Board of Directors' Meetings and writing the Meeting Reports and compiling related documents.
- Ensuring that the Board of Directors performs under the laws and the related regulations.
- Suggesting guidelines related to corporate governance to the Board of Directors and the Executives.
- Being in charge of reports and disclosures in accordance with the laws.
- Monitoring to ensure implementations are carried out in accordance with the resolutions of the Board of Directors' Meetings and the resolutions of the Shareholders' Meetings.
- Implementing all matters with accuracy and completeness in accordance with the Public Limited Companies Act, the Securities and Exchange Act, the Announcement and Regulations of the Capital Market Supervisory Board, including laws and other related rules.
- In addition to work, the company provides training to educate employees such as knowledge about policies and practices in anti-corruption, sustainable development, and environmental care.

#### **Principle 4 : Ensure Effective CEO and People Management**

The Board of Directors gives importance to personnel who will be in top executive positions, which are important management positions such as Chief Executive Officer including other positions equivalent to the Managing Director of subsidiary companies by considering knowledge, ability, experience that is consistent with the strategy and goals of the company. Therefore, the Board of Directors must oversee the recruitment of such personnel appropriately.

#### **Management Team**

As at 31 December 2018, the company's management team, as defined by the Securities and Exchange Commission, consisted of the following persons;

<b>Name</b>	<b>Position</b>
1. Mr. Thiraphong Chansiri	Chief Executive Officer
2. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit
3. Mr. Shue Chung Chan	Group Director, Human Resources
4. Mr. Joerg Ayrlle	Group CFO
5. Dr. Darian McBain	Group Director, Sustainable Development
6. Dr. Tunyawat Kasemsuwan	Group Director, Global Innovation
7. Mr. Leonardus Coolen	Managing Director, Marine Ingredient
8. Mr. Sanjeev Pant	Managing Director, Emerging Market
9. Mr. Patrick Bertalanffy	Group Director, Strategy Business Development
10. Ms. Arunrat Surattanaajindaporn	Assistance General Manager, Group Accounting and Control

**บริษัท ไทยยูเนียน กรุ๊ป จำกัด (มหาชน)**

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#### 4.1 Succession Planning for Top Executive Positions

The Board of Directors has recognized the importance of the succession planning in the top executive administration of the organization, particularly for organizing the leadership position as Chief Executive Officer (CEO) and President of Global Frozen and Related Unit. Including the top administration position of the company in each region, which is an important part to be successful in the organization. By implementing a Human Resources Department coordinator to consider criteria and succession planning both foreign and domestic would keep the confidence high for stakeholders.

The company has a policy to review the critical positions in the organization, the direct affect to business profits and corporate goals. The procedure is to considerate the positions systematically each year so that it will be used in succession planning both long and short term.

Human Resources Department will coordinate the succession plan by arranging a joint meeting between key management and top HR management, both to strengthen business potential and reduce operation risks.

The succession planning for Thai Union is divided into two categories as follows:

1. Succession planning for critical position to insure success for the business is to plan for a successor depending on the readiness of the position, which is divided into three groups as follows:

- a. Short term: Ready Now or ready within one year
- b. Mid-term: Ready within 2-3 years
- c. Long term: Take more than 3 years to be ready

2. Succession for Emergency Plan: Preparation of an emergency successor candidate in a critical period. The company encourages individual parties to name a successor in the event of an emergency. It can be divided into sections and each section has the name of the responsible appointee.

Succession planning in this category will have Group Corporate, Regional and Business Categories.

#### 4.2 Compensation Structure and Performance Evaluation

##### Compensation Structure

Preparation process for succession planning of the position will be parallel with the Talent Review Process and Individual Development Plan. Human Resources in cooperation with the management of each department will jointly evaluate an employee's potential and Individuality. They will develop a clear plan, especially for the successor. Moreover, any employees who have a high potential will provide analysis in capabilities in order to advance the development plan, including employees being informed of career goals and employees expectations throughout monitoring and evaluation of their development frequently.

The payouts policy for both short and long term is consistent with the results of the company's operations by targets and measures each year in accordance with the company's long-term strategic plan, called Enterprise Objective. The measurement has four elements as follows:

1. Drive Superior Financial Performance - driving excellence in financial management and capital efficiency usage.
2. Accelerate Growth - focused on current business's breakthrough growth and investment acquisition and expansion.

3. Drive Global Integration and Talent Development - marshal a global organization to increase the competitiveness of the business and to develop high-potential employees.
4. Build Differentiated Capabilities - to be a leader of the industry of sustainable development, innovation and quality.

The company has determined the executive compensation as follows:

- Overall compensation to be in line with the same industry.
- The rate of bonus payments for the targeted achievement for both employee and company, the Executives will receive the bonus money at the rate of 25-30 percent of annual salary.

### Performance Evaluation

Assessment of Business and Individuals goals are managed under Performance Management Process (PMP) for Senior Managers and Managers at Thai Union. This process is set across organization in order to achieve the same direction of Thai Union's vision and yearly enterprise objectives with the 3 main objectives:

- Align individual goals with enterprise objectives and key initiatives to deliver the budget
- Monitor progress and action plan on individual goals
- Reward individual contribution

Enterprise Objectives are cascaded to each Business Unit and Group Corporate function. These Business / Functional objectives are supported by a list of initiatives led by Business Leaders and Head of Group Function. The main and most critical initiatives are translated into Individual Business Goals during the goals setting step of PMP, early January, and included behaviors and development goals to ensure managers embed the 6 values of Thai Union.

After sign-off, these goals are reviewed during the year and, finally assessed by Top Management to evaluate the Individual Performance of each Senior Manager.

Self-assessment and calibration are used to fuel the end-year review in order to pay for performance.

### Remuneration for Management

The management team is remunerated in the form of salary, provident fund matching contribution and annual bonus based mainly on the operational performance of the company and work performance of each management member. Overall compensation will be in line with the industry. The rate of bonus payments for the targeted achievement for both employee and company, the Executives will receive the bonus money at the rate of 25-30 percent of annual salary.

The remuneration paid to the Board and management members in 2018 in comparison with its counterparts in 2017 is set forth below:

Unit : Million baht	Management Team	
	2017	2018
Number (Person)	11	10
Salary/Annual Bonus	141.81	145.17
Provident Fund Matching Contribution	6.42	5.64
<b>Total</b>	<b>148.23</b>	<b>150.81</b>

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## **Principle 5 : Nurture Innovation and Responsible Business**

The Board perceives the importance of the sustainability, that will set the standard for economic responsibility, social and environmental following the United Nations' Sustainable Development Goals. To becoming the world's most trusted seafood leader, sustainability underpins our core business functions and serves as a measurable standard to which the company align key decisions and practices. Aiming to take a leading role in supporting the seafood industry's sustainability objectives, the Company committed the global sustainability strategy which can be classified into four areas as below.

1. Responsible sourcing
2. Safe and legal labor
3. Responsible operations for environment
4. People and Communities

### **5.1 Promote innovation and responsible for the stakeholders**

The Board perceives the importance to promote innovation. The Company is committed to being the seafood industry's leading agent of change. Innovation is a strategic cornerstone of Thai Union. This will help drive sustainable growth and play an important role in shaping the future of the Company. The Global Innovation Center (GIC) is a world -class R&D facility to develop new products, packaging and processing, and thus add more value to the Company's seafood business. The GIC's main R&D facility, located in central Bangkok, conducts research related to fundamental studies of raw materials, new processing technology, and utilization of rest-raw materials to create added value. The main focus is on 1) enhancing product quality, nutritional value and consumer satisfaction; 2) accelerating sustainability through smarter utilization of fishery resources, optimization of processes and technology, and value creation of products, and 3) creating new corporate revenue streams from research and development tailored for new business growth.

The GIC leverages public and private partnerships with industrial entrepreneurs, government, and academia by innovating together and coordinating knowledge between academia and industrial entrepreneurs for the goal of the innovation to benefit the public.

### **5.2 Responsible operations for society and environment**

The Board perceives the importance of the right of all stakeholders and equitable treatment, as the company foresees the importance of their support and the mutual cooperation between the company and the various groups of stakeholders, in that it can secure long-term business wealth, employment, financial stability and implementation to further the Company's objectives, goals, and strategies in support of sustainable value creation. Therefore, the board is urging management to adopt responsible operations with high ethical, environment and society standards. Also to adhere to equitable treatment of all stakeholders as well as ensures that effective administration of internal controls and compliance controls are established and maintained, as summarized below.

### **Responsibilities to Shareholders**

The company is determined to represent all shareholders efficiently through generating maximum long-term returns on investment and is committed to conducting business with transparency, to put in place reliable financial and accounting systems, and to deliver optimum shareholder satisfaction with regular and sustainable strong operational performance

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and continued growth. The executive board and all employees shall perform duties with integrity and make decisions in good faith and in fairness to major and minor shareholders alike, as well as for the good of relevant parties. They shall refrain from any activities that could cause conflicts of interest and serve self-interest. Confidential information shall not be divulged to outside parties while simultaneously paying attention to accurate, complete and punctual disclosure of material information to all shareholders in response to their unwavering trust and support given to the company and provide the investment returns that satisfy the shareholders the most.

#### **Responsibilities to Employees, Staff, and Workers**

The company treats employees equitably and fairly with no discrimination against nationality origin, religion, gender, marital status, language, or workforce rank, not associating with forced labor, child labor, human trafficking, and not supporting bribery or any form of corruption.

The company has employee's compensation management policy to retain capable employees who are attracted towards the organization and focus on performance-based compensation in consideration of fairness within the organization, throughout the competitiveness in the labor market, as well as cultural, rules and regulations to be consistent with the mission and values of the organization. The company sets the appropriate compensation comparable to compensation paid in the same industry by considering knowledge, experience and performance of individual employees, combined with parity within the company's evaluation based on responsibility, task complexity, work experience and skills. In addition, the company has set the compensation management policy based on the employee's performance and operation's performance as motivation for performances.

#### **Compensation to Employees, Staff, and Workers**

The company has provided fringe benefits which exceed the legal requirements i.e. provident fund, annual health check, health insurance plans, life insurance, accident insurance, gym, recreational activities so that employees can relax from work. The company has allocated significant long-term benefits that help employees and their families of livelihood after retirement from the job in the form of a retirement pension and the most important thing is that each year the company sets aside funds to ensure that the company can pay the compensation to employees in accordance with their rights in the future to encourage employees to prepare financially in advance before entering retirement. Furthermore, the company has joined with the Social Security Office to hold a training course on the philosophy of the sufficiency economy and saving for retirement for employees that are also considered to maintain the income of employees in the form of wages and benefits with an extending coverage insurance policy affected by business which will cover additional expenses in case of relocation of production bases. This will cause the company to have to pay the expenses of employees, such as accommodation, moving fee, and additional benefits, etc.

Compensation of employees is as follows:

1. Compensation relating to the short-term business performance including salaries, which have increased the rate of one time per year, annual bonus, provident fund that is available to employees at all levels by contributions from 2.5 percent to 10 percent of salary depending on the length of employment. In 2018, the company contributed to the provident fund for employees totally THB 47.12 million.



2. Compensation relating to the long-term business performance, including of retirement paid to the conditions set forth in the Employee Handbook. The company has set aside money for retirement for 2018 at the amount of THB 79.30 million and in 2018, the company has paid money for the employee retirement totaling THB 23.54 million.

### Human Capital Development

The policy of development of employees is to help unlock the potential in people and improve the value of resources of the organization. We believe that all personnel have the ability or an advantage of their own. The company will help every employee to bring out their strength for the benefit of themselves and the organization, so that everyone has an opportunity for self-development and career advancement.

Developing people at every level is part of the company's core strategy and an ongoing commitment from senior management. We focus on providing training and staff development by focusing on the changing attitude and practices in order to provide organizations with international standards by incorporating the classroom training, coaching, giving feedback and applying real on-the-job training: On-the-job training through training and development is done through these various methods:

- An on boarding process that facilitates a warm welcome, a smooth transition and a foundation for long-term success.
- Vocational, corporate values, cross cultural and Code of Conduct classroom training led by internal and external experts for employees so they can access the information and resources they need to become leaders in excellence.
- Mentoring, coaching and feedback mechanisms to provide support and build leadership capacity.
- Cross-functional projects to promote knowledge building, sharing and collaboration.
- Stretch assignment with coaching and learning resources available to foster growth.
- Job rotations to support skill set expansion and motivate inspiration, connections, including developing a long-term broad vision.
- International project assignments to enhance cultural competencies and language skills, adding value to current and future roles; and
- A structured and personalized follow-up process to access the Global Talent Development Program's impact and track talent development progress.

Details of staff and management training in 2018 for Leadership, Industrial standard, Professional skill and On the job training are as follows:

Total hours of training: 328,950 hours.

Average number of hours per employee per person: 23.83 hours.

Moreover, the company stresses the importance of communicating information concerning its business to all employees, such as when the CEO meets employees every six months to announce the annual targets, which also helps life spirits and morale.

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## Responsibilities to Customers

The company's policy is to treat customers with the following responsibilities:

- The company has produced quality food under Food Safety and traceability under standardized manufacturing process technology and appropriate technology, including the development of new products and processes to ensure customer benefit and satisfaction.
- The company determines the price of goods and services at appropriate level of detail and quality of customers' products and services demand.
- The company runs as reasonable cost as possible while maintaining quality of service standards, according to the company's customer requirements.
- The company delivers high quality products and services to meet or exceed customer expectations and on-time delivery adhering to commitments given to customers.
- The company treats customers with politeness, hospitable and honesty, pays attention to every customer with fairness, equality without bias.
- The company complies with the contract terms or conditions, and if not viable, will inform customers in advance and find a solution to prevent irreversible damage to the stakeholders.
- The company provides information regarding the instructions on the product features and specifications of goods and services, as well as how to use. The company also keeps customers informed about the products and other services so there is no misunderstanding about the quality or condition of any products or services.
- The company focuses on maintaining the confidentiality of customer information, not disclose customer's confidentiality or use for their own benefit.
- The company also sets aside a special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.
- The company will not receive bribes from customers.

## Responsibilities to Business Partners

The company treats suppliers equitably and fairly in line with commercial conditions, is open to hear their opinions and suggestions to forge stronger business relations and places much attention on their commercial confidentiality.

Company policy has selected partners in consideration of the use of labor laws at all times, including communications, acknowledged to be aware of Labor Code of Conduct, including of safety, health, environment and energy conservation policies in the selection of partners and the price comparison or tender which must be approved by authorized personnel to ensure transparency in the procurement function.

Routine engagements have been channeled to various business functions such as marketing teams versus customers, procurement teams versus trading partners and suppliers, human resources versus employees, government relations and administrative functions versus government and local communities, finance teams versus financial markets and institutes, investor relations versus capital markets and investors, corporate communication versus media and public sectors, etc. In addition, some new key initiatives have been launched during the year, namely, deploying sustainability features and capabilities to innovate as new sources of inspiration for customers, investing in resource sustainability in

partnership with international NGO(s), collaborating with academic institutions and government to strengthen the basic knowledge and science of seafood products, participating together with customers, trade associations, and business partners in various taskforces in order to tackle the challenges in natural resource and labor protection, and exchanging views and experiences about sustainable development with private institutions and regulators, etc.

### **Responsibilities to Creditors**

The company honestly and strictly adheres to loan agreement commitments given to respective creditors and financial institutions so as to ensure the availability of proper and fair returns on their loan investments. Furthermore, the company works to minimize its exposure to potential conflicts of interest with creditors by not omitting information or facts that may damage creditors. If the company cannot respect the conditions of the contracts, it must notify its creditors in advance to jointly solve the problems.

### **Responsibilities to Competitors**

The company competes with competitors under fair commercial competition, with business ethics and in compliance with applicable legislation. The company does not seek information such as its competitors' trade secret by dishonest means, thereby having no trading disputes with any competitor.

### **Responsibilities to the Community and Society**

The company realizes the responsibility to its community and society, especially for improving the lives of those living and working in the regions where it operates. The Company has worked together with private sector peers, local government, international organizations and civil society, for example: Educating children of migrant workers, Providing nutritional information to local communities, Famine and disaster relief programs yearly, as part of our commitment to support the United Nations Sustainable Development Goal (SDG) to end hunger.

#### *Operational activities;*

- Preschools for children of our migrant and local workers in Samutsakhon province
- Asean economic community language learning center for interpreting and coordination in communication with the migrant workers.
- Pracharath project: The aim to improve the lives of the local community as well as boost the education standards of children across Samutsakhon, Samutsongkhram, Phetchaburi, and PrachuapKhirikhan provinces consistent with the leadership project for CONNEXT ED in order to minimize inequality in society, development of people's potential, and increase competitiveness for students in public schools under the Office of the Basic Education Commission. Pracharath project of love and unity for Samutsakhon province supporting local businesses and helps to put them on better commercial footing also to help drive the Thai economy at a grassroots level, allowing small business operators to generate more income for the local community such as agriculture, agriproduct processing, and community tourism.

### **Responsibilities to the Environment**

The company realizes all its responsibilities to keep the environment while managing any negative impact on the environment from all aspects of the Company's operations. Sustainable objectives are goals of the company as the world's most trusted seafood leader it has a responsibility to set the standards for environmental protection across operations into our supply chains. Sea Change is the company's sustainability strategy with measurable commitments

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to deliver real, lasting changes in the way it operates. Sea Change aims to drive a positive transformation throughout the global seafood industry. It covers every aspect of the seafood business on how to look after and maintain the oceans and how it manage its waste. The core of its strategy is to promote sustainability and the ability to fully track its seafood from catch to consumption with full track ability in place. The company will be able to identify, investigate and improve performance on key issue such as labor and responsible sourcing.

*Operational Activities;*

- Indian Ocean Tuna Purse Seine Fishery Improvement project in order to improve management of the three most important commercial tropical tuna species. With a commitment to seafood sustainability which is a part of our partnership with World Wildlife Fund (WWF).
- Capacity building program to our partner farms to help them improve their farm management practices and meet the standards of BAP, to lead environmental standards, bio-safety, and water management.
- The Company together with International Union for Conservation of Nature (IUCN), Thailand's Department of Marine and Coastal Resources, and Department of Fisheries support various community-based initiatives in Koh Yao Yai, Phang Nga, to manage marine and coastal resources, to develop sustainable tourism and enhance livelihood resilience.
- The digital traceability pilot program will test scalable platforms for Electronic Catch Data and Traceability (ECDT) systems that utilizes mobile applications and satellite connectivity for solutions pertaining to illegal fisheries, the lack of reporting and without controls. It's the first time for the fishery industry of Thailand to use this communication system.
- Zero project to reduce greenhouse gas emissions.
- To use innovation and management approach effectively for reduction in water use and electricity.
- To use innovation development packages for reducing concerns about the environmental impact of things such as food waste, changing weather and plastics packaging in the oceans for the life cycle assessment project. In order to understand the process of packaging to adhere to the many standards required to protect the environment, starting with production, packaging, logistics and disposal procedures.

Other company-sponsored CSR initiatives in action through 2018 are further described under the Sustainable Development heading of this annual report.

In addition, Thai Union Group's policy must comply with the legal requirements and other commitments relating to the Group. The company has prioritized developing the foundation of an environmental, occupational health and safety management system and systematically integrate environmental, occupational health and safety and energy conversation considerations into our business processes. The Group's targets in 2020 are to reduce its greenhouse gas emissions by 30 percent per ton of production, reduce water use by 20 percent per ton of production and reduce waste to landfill by 20 percent per ton of production, giving the necessary education and training. The action plan can be summarized as follows:

1. The Environmental Policy Occupational Health and Safety with focus on capacity development, as well as the involvement of employees in preventing the negative effects on the environment.

(<http://www.thaiunion.com/en/about/environment-health-and-safety>)

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2. The establishment of the excellence in Environmental, Health and Safety Center, which has established a device comparable to international standards for the collection of knowledge about the environment, health and safety and a training center for employees.
3. Training before starting work and during operation. This training is organized to suit the nature of the staff and to ensure that employees have a better understanding of how to protect themselves from harm and reduce the environmental impact of the practice on their own.
4. Assessment of compliance with the law continued to ensure that employees have been trained or qualified by law. The company have additional training requirements by local law to begin the process of evaluating employee's potential on environmental, health and safety to ensure their appropriateness and effectiveness and how they compare to international standards.

### **Respect of Copyrights and Intellectual Property Rights**

The company respects copyrights and intellectual property rights of others by forbidding employees from using illegal programs or software and ensuring they strictly comply with the Copyright Act B.E.1994.

### **Anti-Corruption**

The company has received the Collective Action Coalition Certificate from Thailand's Private Sector Collective Action Coalition Against Corruption on 12 February 2018. Hence, the company has issued an Anti-Corruption Policy and Code of Conduct for Anti-Corruption, which details strict guidelines to prevent and/or deal with any corrupt activities. Further, the process of reviewing our policies and procedures are implemented on a periodic basis, in order to make sure our guidelines are up-to-date and responsive to new developments in the current business as well as changing laws, rules and regulations to which the company is subject, and to make sure that our integrity and ethical business conduct is upheld; and by which all board members, management and employees must abide. Board members, management and employees shall perform their duty in compliance with this policy and communicate the policy to external stakeholders for corruption-related risk prevention. The company shall provide protection to board members, management and employees who act against corruption in accordance with this Policy and respective Code of Conduct.

Anyone who violates this Policy and Code of Conduct shall be subject to disciplinary action in accordance with the company's rules and regulations.

### **Role and Responsibility**

1. The Board of Directors are responsible for making sure that the business conduct is transparent, accountable, and strictly in accordance with Anti-Corruption policy, respective code of conducts and procedures. The Audit Committee is responsible for: Overseeing internal controls, both financial and operational, of accounting and documenting procedures including all other anti-corruption related procedures, providing channel(s) for complaints or reports of corrupt activities, providing advice on the implementation per Anti-Corruption Policy and Code of Conduct, and reporting finding(s) to the Board of Directors on a regular basis.
2. Management is responsible for implementing this Anti-Corruption Policy, including communication and awareness-raising among internal and external stakeholders. Proper management systems and measures must be put in place and periodically reviewed to ensure effective governance and implementation in

alignment with the intent and new developments in the current business conduct as well as changing laws, rules and regulations.

3. Management and employees at all levels are responsible for mitigating and preventing corruption-associated risks in their assigned duties, and are responsible for reporting of corrupt activities.

#### General Provisions

1. Board members, management and employees must agree to perform their duties and services in compliance with the company Anti-Corruption policy; and must not allow any person, whether directly or indirectly, to exert influence on their behalf so as to engage in any corrupt practice, with the purpose of obtaining any personal or undue advantage.
2. In addition to carrying on their duties as assigned, they shall agree not to engage in any corrupt practices as mentioned in section 1, which also including of Giving or accepting gifts or hospitality, Giving or accepting cash or its equivalents, Bribing government officials or third parties or accepting or soliciting bribery, Embezzling company assets or working hours, Laundering money, Obstructing or impeding due administration of justice or judicial proceedings, Making any political contributions, whether in cash or in kind, including offering goods and services or contributing for advertising purposes, etc. Donating to charitable causes, and Sponsoring for a personal or other undue advantage.

#### Gifts, Hospitality, and Expenditures

- Board members, management and employees must not demand, accept, or offer any gift or hospitality, either in the form of money, gifts, goods and services to, from or for business partners, agents, creditors, third parties or the company's competitors if doing so can be perceived as bribery or as personal or undue advantage of business partners, agents, creditors, and third parties.
- Any offers or receipt of gifts and hospitality as per customs and traditions shall conform to the company's rules and regulations. In other cases where the company's rules and regulations cannot be applied, they must be proportionate, transparent and legitimate with no hidden agenda, as stated above.

### 5.3 Governance and information technology management

The Board of Directors implemented the board of information technology. They will plan the related strategies in regards to information technology of the company in order to have convenience, speed, effectiveness, added reliability and added business competitiveness as well as playing a supporting role in the business to get the maximum benefits and risk management regarding information technology risk. Thus, the board will specify the assessment and risk management for information technologies and report the findings to the risk management subcommittee regularly.

The committee for information technology addresses the governance of information technologies for reliability and effectiveness by prioritizing as below;

1. Organization structure and management
  - 1.1 Segregation of authority to set the planed policies and operation procedures.

Implement segregation of authority, provide the planning policies, operation procedures and especially the policies when it comes to planning and operation procedures related to the security of information technology systems and other important routine technical operations.

#### 1.2 Governance and checking operations

Implement the operations report and check operations to make sure that it is completed and accurate. Follow the policies and operations procedures within the frame of authority and responsibility.

### 2. The information of security and information technology system

#### 2.1 Access control of computer center and damage prevention

Grant access control of the network precisely by limiting and assigning only those involved and checking the access of the computer network regularly.

#### 2.2 Control access by using information technology systems and intrusion prevention that pass through logical security network, implement intrusion prevention systems for external outside networks, for example: Firewall system, user authentication before entering the system, authorization assignment within the system and audit logs by gagging security according to security policies of implemented information technologies.

### 3. Back up the network in preparation for an emergency

#### 3.1 Back up all data on the network with scheduled backups of the network and test the accuracy and reliability of the data on the network.

#### 3.2 Prepare for emergency situations

Implement an emergency response plan that includes testing of the plan to insure, that it is viable.

### 4. Routine maintenance on all computers and servers

Set governance and routine operation controls in computers according to the board requirements for all procedures and operations. Have a clear and verifiable reporting system for routine inspections.

On the part of risk management, the risk management subcommittee will set governance of the policies and approach to risk management as well as assessment and process development for proper risk management for both company and its subsidiaries while reporting to the company board every three months in regard to information technology risk for administration to address the risk and make plans of risk management, information technology strategies, information management for appropriate business response, information technology services and security.

In addition, the board appreciates the importance of governance and information technology control so they can provide internal checking and information technology network checking which is directly reported to an audit committee making the plans in regards to information technology management, including security of information for the company annually.

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

### **Controlling System and Internal Audit**

The company has established an audit unit that functions as an independent unit. The current head of this unit is Mr. Pongpol Plipuch, Assistance General Manager of Audit unit. He holds a Bachelor's Degree in Audit from the University of the Thai Chamber of Commerce, and is a Certificated Public Accountant (CPA) No. 8549. He also attended training of the Anti-Corruption: The Practical Guide 2013 & 2016 conducted by the Thai Institute of Directors (IOD).

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The internal Audit Unit regularly oversees the internal controls system, to inspect significant items including operations, compliance controls, risk management and extraordinary items, to ensure the effectiveness of the controlling system for greater credibility of the financial statements. They report directly to the Audit Committee and administratively to the President & CEO. The internal audit unit has adopted a risk-based approach in the annual audit plan which focuses on key business risks of the company and subsidiaries that might have an impact on business goals and the accuracy of financial reports. The Audit Committee reviews the annual audit plan and the audit results and progress reports continuously.

The past internal audit reports indicated that the company's operations have been in line with the planned systems, possessed efficient internal controls, risk assessment, risk management and prevention measures, compliance control and shown no significant non-compliance in its operations.

### **Risk Management**

The Board of Directors has overall responsibility to ensure risk management is appropriately and effectively implemented. The Risk Management Committee oversees risk management implementation and reports the company's significant risks, mitigations and improvements to the board. They assign the management team to regularly identify internal and external risk factors as well as to conduct an assessment of their impacts on the company's business. The risk management team is diversely composed of management members and top executives who are directly responsible for the work areas where risk factors are identified. The risk management team analyzes target risk factors in order to determine root causes and create countermeasures. The countermeasures are turned into practical guidance to either prevent or minimize potential impacts of those risks. In addition, the risk management team also follows up and ensures that taken corrective and preventive actions are in line with its directed countermeasures, and reports the performance of countermeasure implementation to the Audit Committee for subsequent address in the Board meeting.

### **Securities holding report of Directors and Executives**

The company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by communicating their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on an immediate basis and not later than three business days following the date of purchase, sale, transfer or receipt of such securities. The Board or management members or sections with access to, or knowledge of, internal information are not allowed to leak the information to outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the company's share on the Stock Exchange of Thailand.

The company secretary reports every change in the company's securities held by directors and management to the Chairman of the Board and Chairman of the Audit Committee, and also provides the report of any changes made to the securities held by directors and management for year to the Board meeting.



### **Report on Interest of Directors and Executives**

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2551 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons, Director and an Executive shall file with the company a report on his interest or a related person's interest in relation to management of the company including requiring the company secretary to have a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit Committee within 7 business days from the date of receiving the report. The Board of Directors must set rules and procedures for such reports.

### **Connected Transaction**

Connected transaction policy between TU and its subsidiaries, the Audit Committee is entrusted to review the connected transactions that need to be approved by the Board of Directors. The Board of Directors shall ensure that the company is operating in compliance with the rules and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including the acquisition and disposition of assets, as well as the accounting standards concerning the disclosure of information concerning connected parties and business, as defined by the Federation of Accounting Professional of Thailand. The Audit Committee will provide comments about the necessity and justification of such transactions for the best interest of the company. Costs are charged at market price like transactions with any other outside parties (Arm's Length Basis). In the case that the Audit Committee does not have the expertise in the connected transactions, the company will provide an independent appraiser or external auditor of the company to ensure that such price is reasonable to the company before such transactions must be approved by the Board of Directors and shareholders. Directors and management personnel with potential conflicts of interest are not allowed to vote on the transactions. The connected transactions are disclosed under the Notes to Financial Statements for year ended December 31, the annual report and form 56-1.

### **Policy for future connected transactions**

In undertaking future connected transactions, the company will continue its product and service transactions with connected companies, since these represent the normal business practices in the same industry. The pricing of products and services follow market practices and/or the details in any commercial agreements. However, the company will take into consideration its best interests and ensure that such price is reasonable to maximize the company's benefits. The Audit Committee and Audit Unit are to supervise and review the business transactions that are considered connected transactions according to the requirements, announcements, rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. Moreover, when there are transactions involving directors and management, they are not allowed to vote or attend the meeting.

### **Criminal Record of Directors and Executives**

During the past years and 2018, the Company has been no case of violation against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E.2535 or any other laws such as the submission of financial statements within a given timeframe. There are no cases of violation of labor law,

employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe.

In addition, the directors and executives of the Company do not violate against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E.2535 or any other civil or criminal laws and do not have any conflicts of interest with the Company by insider trading or commit an act of corruption or misconduct.

### **Business Code of Conduct**

The Board of Directors has created a code of ethics or statement of business conduct for all directors, the management team and employees. The code serves as guidelines for their honest and equitable work operations and is made known to all directors, the management team and employees to ensure their awareness, understanding and compliance. The company believes that such practice will improve the standards of good corporate governance and promote investor confidence in the company's management as well as preserve justice and credibility in the capital market. The code of conduct covers the following areas:

- |   |   |
|---|---|
| 1) Responsibility to shareholders                   | 8) Compliance with laws, rules and regulations                      |
| 2) Responsibility to customers                      | 9) Anti-corruption  |
| 3) Responsibility to employees                      | 10) Safeguarding the company's assets                               |
| 4) Responsibility to business partner and creditors | 11) Intellectual property   |
| 5) Responsibility to trade competition              | 12) Conflicts of interest   |
| 6) Responsibility to society and the environment    | 13) Related transactions within the group                           |
| 7) Responsibility to the company                    | 14) Use of inside information and trading of the company's security |
|   | 15) Distribution of information to the public                       |

### **Whistle-Blowing and Complaints**

The company provided the channel for whistle-blowing or complaint-making that stakeholders are or may be affected by the damage caused by the company's operation, or the employees are involved in unlawful, dishonest acts or corruption by directly submitting the case or via post to:

Chairman of the Audit Committee, or Internal Audit Manager, Audit Unit  
 Thai Union Group Public Company Limited  
 23<sup>rd</sup> floor, S.M.Tower, Samsennai, Phyathai, Bangkok 10400  
 Telephone 02 298-0024 ext. 4340 Facsimile 02 298-0024 ext. 4369

The whistle-blowers or filers of complaints that are employees, customers, individuals hired for work by the company or other groups of stakeholders who are whistle-blowers, will have their rights protected and defended according to the law or the guidelines set by the company.

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

The Board of Directors is aware of its role to maintain financial credibility to shareholders and stakeholders such as investors, analysts, financial institutions including the disclosure of such equitable information to the public. The details are as follows;

### **Information Disclosure and Transparency**

The Board devises policy on correct, complete and punctual disclosure of material financial and non-financial information through dissemination channels of the Stock Exchange of Thailand and the investor relations section on the corporate website in both English and Thai languages so as to provide equitable and credible access for shareholders, institutional investors and any persons interested in obtaining such information.

The Board stands behind the company and its subsidiaries consolidated financial statements and financial information presented in the company's annual report. The said financial statements are prepared in accordance with generally accepted accounting standards by applying appropriate accounting policy on a regular and carefully considered basis. Material information is sufficiently disclosed in the notes to the financial statements.

The Board has provided a report indicating its responsibilities to prepare financial statements. Such a report is exhibited alongside the auditor's report in the company's annual report to ensure a true and fair presentation of the financial statements regularly following the generally accepted accounting standards and accounting policy.

The Board's opinion is that there is effective administration of internal controls in the company and that the reasonable fairness is assured for the financial statements for the period ending 31 December 31 2018, for which the company's auditors have conducted the audits on generally accepted auditing standards.

### **Information Disclosure to Public**

The Board perceives the importance of correct, complete and transparent information disclosure to all shareholders, investors and all parties concerned on an equitable treatment basis. Information on operations and financial status is communicated clearly and timely under relevant laws to provide target groups with a correct understanding of the company, thereby creating acceptance and investment sentiment among investors. The communication also allows the company to gain insight into the public's view on the company's operations, which will be a part of considerations for future goal and strategy setting. The Investor Relations Unit is officially set up, the company clearly assigns the management and other personnel to assist in communicating with the public as follows:

- |                            |                            |
|----------------------------|----------------------------|
| 1. Mr. Thiraphong Chansiri | President & CEO            |
| 2. Mr. Joerg Ayrl          | Group CFO                  |
| 3. Mr. Bunlung Waiyanont   | Investor Relations Manager |

The communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2018 were as follows:

1. The company's executives has provided the overview of the operation and answered questions of the analysts and investors in the following events;

- Approximately 32 company visits by investors and stock analysts
- 18 conference calls

### **บริษัท ไทยยูเนี่ยน กรุ๊ป จำกัด (มหาชน)**

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- Four analysts' meetings
- Participated in four Opportunity Day's by the SET
- Two plant visits by stock analysts and investors
- Two plant visit by minor shareholders
- 11 overseas investor conferences
- Seven local roadshows

In addition, the board promote the effective use by the Company of information technology in disseminating information to provide the public with written information in both Thai and English dissemination through its corporate website, <http://www.thaiunion.com> and printed media as follows:

- Investor note, a press release giving information on operational results issued to investors and stock analysts on a quarterly basis
- Presentation issued to investors and stock analysts on a quarterly basis
- IR-Newsletters, a quarterly corporate newsletter delivered to shareholders and investors to regularly report new information and updates on the company's operations
- IR calendar, Raw material price, and the details of debt payments on the company website
- Annual report for shareholders, investors and other interested general public
- Sustainability report by annually

2. Six media briefings and press conferences are organized.

3. Information provided to the Stock Exchange of Thailand and Securities and Exchange Commission i.e. Annual report, Form 56-1, the Company's financial statements, quarterly and annual financial analysis reports, Letters informing the resolution of the Board of Directors, Annual General Meeting of Shareholders and others, Report or notification of any corporate changes in need of public disclosure pursuant to the Notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Due to continued strong adherence to transparent information disclosure, the company achieved awards as follows:

- No.1 ranking among ASEAN corporations in Consumer/Staples sector in 2018 All-Asia (ex-Japan) Executive Team rankings by Institutional Investor: Best CFO, Mr. Joerg Ayrlé\*
- Best Public Company (SET) of the Year 2018 in Agro and Food Industry by Money & Banking Magazine  
*Money & Banking Awards* ranked the Top 300 Public Companies listed on the Stock Exchange of Thailand based on market capitalization. The Best Public Company of the Year (SET) was evaluated in its industry based on the size of the firm, operational performance, return to shareholders, and investment free-float.
- Multiple awards in Asia's Best Managed Companies Poll 2018 by FinanceAsia: No. 1 Most Committed to Corporate Governance in Thailand
- Multiple awards in Asiamoney Asia's Outstanding Companies Poll 2018 by ASIAMONEY Magazine Overall Most Outstanding Company in Thailand and Most Outstanding Company in Thailand - Consumer Staples Sector  
This recognition is underpinned by significant and actionable feedback from over 800 investors, which resulted in over 2,382 votes for publicly listed companies across 12 Asian markets.

- No. 1 Best Analyst Days in Thailand in 2018 All-Asia (ex-Japan) Executive Team rankings by Institutional Investor. The Investor Relations team's efforts have been well-recognized among leading consumer staple companies in South East Asia.

### Contacting the Board

The stakeholders may express their opinions, recommendations, complaints, or whistle blowing which may bring damages to the company, the company's unlawful actions or unethical actions, in writing and send them to the Audit Committee or the Board of Directors at the following address:

Thai Union Group Public Company Limited

Company Secretary, Office of the President & CEO

979/12 M Floor, S.M. Tower, Phaholyothin Road, Phayathai, Phayathai, Bangkok

Or to our email:

The Audit Committee at [compliant@thaiunion.com](mailto:compliant@thaiunion.com)

The Board of Directors through the Company Secretary at [paralee.sukhatungka@thaiunion.com](mailto:paralee.sukhatungka@thaiunion.com)

### Principle 8. Ensure Engagement and Communication with Shareholders

The Board follows good corporate governance principles and sets clear business policy by perceiving equitable treatment of shareholders and stakeholders. This can be evident from the fact that the Board and the management cooperate to efficiently deliver work performance while prudently and carefully carrying out their administrative duties for the best interests of the company and shareholders. Operations are transparent and can be verified. Information disclosures are made in a complete, accurate, punctual, and equitable manner to all parties concerned. The company has appropriate and adequate control systems and risk management plans to facilitate well-informed decision making. The company adheres to business ethics as a main pillar to prevent damages to all stakeholders. The Board oversees the company's disclosures of all material information to ensure its accuracy, fairness and timeliness in order to secure investor confidence.

The company's information disclosures to shareholders are made on the basis of equity regardless of share volume owned, status as individual or juristic person - local or overseas. In each meeting of the shareholders, the company places emphasis on and respects the rights of the shareholders by strictly carrying out the meetings pursuant to the Public Limited Companies Act. Also, the company recognizes that the shareholders have the rights to decide, to obtain adequate, complete and timely information and to be encouraged to use their rights and not to have their rights violated, as follows:

### Shareholders' Meeting

- The Annual General Meeting of Shareholders (AGM) has been set annually within four months counting from the annual closing date of its accounting books, i.e, within April 30 of each year. For urgent matters regarding the shareholders' interest or those requiring shareholders' approval, the Board shall call for the Extraordinary General Meeting of Shareholders (EGM). For the year 2018, the company had arranged the Annual General Meeting of Shareholders (AGM) on 5 April 2018 and with preparations as follows:

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#### The Preparation for the Meeting and the Delivery of the Invitation to the Meeting

- The Board allowed shareholders to propose a name list of potential director candidates and a meeting agenda including the questions for the 2018 Annual General Meeting of Shareholders. The Company Secretary was assigned to publicize such information by using the electronic media through the communication systems of the Stock Exchange of Thailand, forwarded to the corporate website 113 days prior to the date of the delivery of the Invitation to the Meeting in order to allocate appropriate time for the shareholders' proposals.
- The company publicized the Invitation to the 2018 Annual General Meeting of Shareholders in both English and Thai languages along with the documents in which details, objectives and reasons had been sufficiently and accurately provided for shareholders to exercise their rights, including the comments of the Directors in each agenda and the proxy forms, comprising of Form A, Form B, Form C, as stipulated by the Ministry of Commerce, voting procedures including voting count and verification of voting results criteria, details concerning independent directors proposed by the company to act as proxies for shareholders and invitation to propose the questions in advance on [www.thaiunion.com](http://www.thaiunion.com) since 2 March 2018 – 34 days prior to the Annual General Meeting of Shareholders.
- The company authorized Thailand Securities Depository Co., Ltd., in its capacity as registrar, to deliver the Invitation to the Meeting to shareholders along with the documents in which details, objectives and reasons had been sufficiently and accurately provided, including the comments of the Directors in each agenda, to make opportunities for the shareholders to appoint their proxy or to authorize any independent director to act as proxy to vote on his/her behalf, and also to deliver the annual report in the form of CD-ROM to shareholders 15 days prior to the date of the 2018 Annual General Meeting of Shareholders.
- The company publicized the Invitation to the Meeting in Post Today newspaper (in Thai) and Bangkok Post (in English) for three consecutive days, seven days prior to the date of the meeting to reassure shareholders' attendance on the scheduled meeting date and time.

#### On-site Meeting Procedures

- The company facilitated all shareholders, including institutional investors, in a fair manner by arranging the officers to welcome and provide sufficient information during the checking of documents before the registration. The company also arranged the AGM voting systems, serviced by Quid Lab Company Limited, to facilitate the Annual General Meeting of Shareholders and to cover the preparation of information regarding shareholders who had the right to attend, the registration of shareholders who attended by printing ballots and the process of counting the votes in the meeting. The Registration was open from 12:00 - 14:00 hrs. of 5 April 2018 at the well-known and easy-to-commute-to Benjapatchara Room, 2<sup>nd</sup> Floor, Royal Thai Army Radio and Television Station (TV5), Phaholyothin Road, Bangkok. In 2018 there were shareholders who attended and proxies as follows;

Shareholders	Total(persons)	Total(shares)	Percent of the total issued and paid-up shares
Person Attended	279	776,483,958	16.27
Proxies Attended	925	2,435,617,410	51.04
<b>Total Attended</b>	<b>1,204</b>	<b>3,212,101,368</b>	<b>67.31</b>

- Chairman of the Board was the chairman of the 2018 Annual General Meeting of Shareholders with responsibility for compliance with applicable legal requirements and the company's articles of association, in which there were 11 board members in attendance out of the whole board of 12 members, and they were the Chief Executive Officer, the President of the Global Shrimp Business, the Executive Directors and the Audit Committee members who were independent directors. The directors who could not attend were representatives of overseas shareholders who could not make it to the meeting due to the inconvenience of long journeys. However, without their presence, the directors had analyzed the information and expressed their opinions on the issues through the agendas delivered to them prior to the meeting. Moreover, the Group CFO, the General Manager – Group Finance, the General Manager – Group Accounting and Control, the Manager - Investor Relations, and independent auditors from Price Water House Coopers ABAS Limited, attended the meetings to completely answer questions from the agendas while the Chairman provided appropriate and sufficient time and encouraged the shareholders to express their opinions and queries with equity.
- The Chairman of the meeting assigned the MC to inform the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, clearly explain the vote-casting and vote-counting procedures for each agenda to the eligible shareholders as well as the procedure of one vote per one share according to the Company's Articles of Association No.35. The company's auditors from Price Water House Coopers ABAS Limited and two volunteers from the shareholders were the inspectors of the vote counting. The meeting was conducted in the manner that allowed and encouraged all shareholders to raise questions, express opinions and give suggestions about the issues throughout the entire meeting session. There were eight shareholders who made queries and presented opinions for the 2018 Annual General Meeting of Shareholders.
- In order to preserve voting transparency, the company made available ballots to facilitate the exercise of voting rights by shareholders in case of their disapproval or abstention of any agenda needed to be considered. Such votes were deducted from the total votes of the meeting. The remaining votes were counted as approvals of such agenda. In order to conduct the meeting in a timely manner and to separate the election of the directors, shareholders were allowed to freely cast their votes for each director candidate on an individual basis, not on the whole board of candidates. Vote counts were clearly announced onsite to make known to all attending shareholders immediately following the end of the voting procedure in each agenda. The meeting session was also videotaped for further dissemination on the company's website. Interested shareholders may request a copy of the videotape from Office of the President & CEO.



#### Post-meeting Procedure and Meeting Minutes

- The company publicized the resolutions of all agenda considered in the 2018 Annual General Meeting of Shareholders (AGM) on [www.thaiunion.com](http://www.thaiunion.com) immediately on the date of the meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through the Stock Exchange of Thailand communication systems and forwarded to corporate website on 17 April 2018, or 12 days following the date of AGM. Shareholders and investors may obtain further information on the meetings or submit their questions in advance by contacting the Company Secretary at 0-2298-0024 ext. 4390, 4392

The hosting of the shareholders' meeting with great emphasis on equitable voting rights has earned the company an excellent performance in the 2018 annual evaluation of Annual General Meeting of Shareholders conducted by the Thai Investors Association.

However, the Board perceives the importance of right of shareholders, is well aware of its responsibility to ensure equitable treatment of shareholders and therefore have put the following initiatives into action.

- The Board assigned the Company Secretary to prepare data and communicate to shareholders with regards to the company's invitation for shareholders to propose a name list of potential director candidates and a meeting agenda for consideration in the 2018 Annual General Meeting of Shareholders. Such information was publicized electronically through the Stock Exchange of Thailand communication systems and forwarded to the investor relations section on the corporate website 113 days prior to the date of meeting invitation delivery in order to allocate appropriate time for their proposals. Although the company has provided shareholders with such these proposal opportunities since 2007, no proposals, however, were submitted for either director candidates or the meeting agenda during the past year. In addition, no additional agenda items that were not notified in advance.
- The Board facilitated shareholders who cannot attend the meeting by assigning any independent directors and proposed the name list of at least two independent directors who were to act as proxies to vote in each meeting agenda on behalf of shareholders. In the 2018 Annual General Meeting of Shareholders, there were 405 shareholders who authorized Dr. Thamnoon Ananthothai, member of Audit Committee, there were 257 shareholders who authorized Mr. Sakdi Kiewkarnkha, Chairman of the Audit Committee, there were 48 shareholders who authorized Mr. Nart Liuchareon, member of Audit Committee, there was 1 shareholder who authorized Mr. Kirati Assakul, Chairman of the Risk Management Committee, to act as proxy and vote on his/her behalf. All of them have been serving as independent directors.
- The Board provided voting cards for the shareholders by the AGM voting system for each agenda separately so that they could vote as appropriate. The voting cards were then collected and calculated together with the votes cast before in the proxy form. The votes were then announced in the meeting room and filed the cards for inspection.
- The Board assigned the Company Secretary to document and file the meeting resolutions in a correct and complete manner and to publicize the resolutions of all agenda considered in the 2018 Annual General Meeting of Shareholders in the investor relations section on [www.thaiunion.com](http://www.thaiunion.com) immediately on the date of the meeting,

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except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through the Stock Exchange of Thailand communication systems and forwarded to the corporate website within 14 days following the date of meeting.

- The company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by communicating their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on immediate basis and not later than three business days following the date of purchase, sell, transfer or receipt of such securities. The Board or management members or sections with access to, or knowledge of, internal information are not allowed to leak the information to outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the company's share on the Stock Exchange of Thailand. However, this prohibition is exempted in the case of continued fluctuation of securities trading prices driven naturally by overall stock market mechanism, which encourages those management to trade their securities only in response to the stock market situations and in good faith. Furthermore, the Board and management members are made aware of legal punishment and penalty pursuant to the Securities and Exchange Act B.E. 2535 and relevant regulations.
- The Board assigns the Company Secretary to oversee and follow up items with potential conflict of interests and connected transactions. The Company Secretary is responsible for preparing a quarterly summary report of those items and transactions and regularly publicizes such reports at year-end in the company's annual report and Form 56-1. Furthermore, the Board and management members, in any Board meeting, are required to comply with good corporate governance policy by not participating in casting votes or giving opinions on any issues sensitive to conflict of interests or vested interests.
- The Board assigns the Company Secretary to maintain the filing of the report of vested interests as disclosed to the Company by the Board and management members pursuant to the Notification No. Tor.Jor.2/2552 of Capital Market Committee Governing Required Vested Interests Disclosure by Listed Company Directors, Management Members and Connected Persons. With regards to this issue, the Section 89/14 of the Securities and Exchange Act B.E. 2535, as subsequently amended under the authority of the Securities and Exchange Act (No. 4) B.E. 2551, stipulates that the Board and management members must report to the company their vested interests in the company's and its subsidiaries' operations and management, or those of their connected persons. This requirement is aimed to furnish necessary information to the company and to enable the company to comply with its own connected transaction handling procedures, which are established to prevent such items with potential conflict of interests from leading to possible siphoning of corporate funds and interests from the company and its subsidiaries.