

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 the domestic market and the international markets. For this reason, the Board of Directors has been committed to run operations under good corporate governance framework which comprises of directors and executives who are leaders who have visions and responsibilities and a management structure which controls, monitors, checks and balances for fairness, morality and transparency to concern the equity of the shareholders and the stakeholders in order to increase the competitive advantage, which will build confidence among the shareholders, the investors and the stakeholders, to make the company operate with efficiency, stability, and sustainable growth along with added values 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 for suitability to ensure that the duties of the Board of Directors have been performed with effectiveness and constant good corporate governance.

The Board of Directors has verified the performance in accordance with the policy in the year 2015 and has found that the performance had completely been 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
The Chairman of the company should be an independent director.	The Chairman of the Company is Mr. Kraisor Chansiri who founded the company and holds the position of major shareholder, resulting in a lack of qualification as an independent director. However, if considering the work systems of the Directors combined with the Chairman's long experience and vision, the Company has been steadily growing until now.
An independent director should not remain in the position of Director of the company for more than 9 years.	Although Mr. Sakdi Kiewkarnkha has been an independent director of the Company for 15 years, his commitment and his full capability, 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 two independent directors who have held the Company for not too long, thus the Board believes that checks and balances will be properly implemented.

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Principles/Good Corporate Governance of the Stock Exchange of Thailand	The Company's Explanation
Each of directors of the company should regularly attend the meetings (at least 75% of all meetings).	Since one member of the Board of Directors has been appointed by our business alliance, Mitsubishi Corporation, and his name is Mr. Takehiko Kakiuchi (resigned 1 September 2015) and Mr. Yutaka Kyoya (appointed 1 September 2015), who reside in Japan, it is unavoidable that he could not attend the meetings as scheduled. Nevertheless, the Company had sent the agendas of the meetings along with supporting documents to all directors and had made opportunities for directors to question and comment directly to the Chief Financial Officer of the Company before the meeting days.
The board should have independent directors who is woman, at least one person.	The Company has a policy of diversifying the structure of the Board, both professional skills, specialized, gender, because of the current situation, the Company has a sufficient number of directors. Whether the company has the opportunity to nominate directors, the Company is ready and willingly to have an independent woman Director in the committee, certainly.
Companies should provide project grants to executives to purchase shares of the Company for the period for the exercise over three years to set the exercise price higher than the market price at the time of allocation of rights, including no significant concentration up to 5%.	Companies are being studied and considered accordingly.

The Rights of the Shareholders

The Company 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 the 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.

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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 4 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 2015, the Company had arranged the Annual General Meeting of Shareholders (AGM) on April 3, 2015 and the Extraordinary General Meeting 1/2015 on September 16, 2015 with preparations as follows:

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 for the 2015 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 99 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 2015 Annual General Meeting of 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 and the proxy forms, comprising of Form A, Form B, Form C, as stipulated by the Ministry of Commerce on www.thaiunion.com since March 18, 2015 – 16 days prior to the Annual General Meeting of Shareholders and since August 26, 2015 – 21 days prior to the 1/2015 Extraordinary 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 14 days prior to the date of the 2014 AGM and 14 days prior to the 1/2015 EGM.
- The Company publicized the Invitation to the Meeting in Post Today newspaper (in Thai) and Bangkok Post (in English) for 3 consecutive days, 7 days prior to the date of the meeting to reassure shareholders' attendance on the scheduled meeting date and time.

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On-site Meeting Procedures

- The Company facilitated all shareholders, including institution 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/EGM voting systems, serviced by Quid Lab Company Limited, to facilitate the 1/2015 Extraordinary 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 8:00 - 10:00 hrs. of April 3, 2015 and 12.00 – 14.00 hrs. of September 16, 2015 at the well-known and easy-to-commute-to Thai Army Club on Viphavadi-Rangsit Road in Bangkok. In 2015. There were a total of 2,057 shareholders who attended and proxies whose aggregate shares totaled as 3,248,236,314 shares, equivalent to 68.07% of the total issued and paid-up shares. In the 1/2015 Extraordinary General Meeting of Shareholders the total number of shareholders was 1,309 whose aggregate shares totaled as 2,891,361,719 equivalent to 60.59% of total issued and paid-up shares.
- Chairman of the Board chaired the 2015 Annual General Meeting of Shareholders, in which there were 10 board members in attendance out of the whole board of 11 members. The 1/2015 Extraordinary General meeting of Shareholders was comprised of 10 board members in attendance out of 12 members, and they were the Executive Chairman, the Chief Executive Officer, the President of Global Shrimp Business, the Executive Directors and the Audit Committee members who were independent directors. The director who could not attend were representatives of overseas shareholders who could not make it to the meeting due to inconvenience of long journeys. However, without their presence, the director 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 Deputy General Manager / Finance, the Assistant to General Manger / Accounting, the Deputy General Manager / Investor Relations, legal advisors and independent auditors from EY Co., Ltd., 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 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 E&Y and 2 volunteers from the shareholders were the inspector 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 12 shareholders who made queries and presented opinions for the 2015 AGM and 8 shareholders for the 1/2015 EGM.
- In order to preserve voting transparency, the Company made available ballots to facilitate exercise of voting rights by shareholders in case of their disapproval or abstention of any agenda being 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

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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 the Stock Information - Office of the President&CEO.

Post-meeting Procedure and Meeting Minutes

- The Company publicized the resolutions of all agenda considered in 2015 Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting of Shareholders (EGM) No.1/2015 on www.thaiunion.com immediately on the date of 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 April 16, 2015, or 13 days following the date of AGM and September 29, 2015, or 13 days following the date of EGM. 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. 4390-2

Hosting of shareholders' meeting with great emphasis on equitable voting right has earned the Company excellent performance in the 2015 annual evaluation of Annual General Meeting of Shareholders conducted by Thai Investors Association.

Equitable Treatment of Shareholders

The Company 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 company secretary to prepare data and communicate to shareholders with regards to the Company's invitation for shareholders to propose name list of potential director candidates and meeting agenda for consideration in 2015 Annual General Meeting of Shareholders. Such information was publicized electronically through the Stock Exchange of Thailand communication systems and forwarded to investor relations section on corporate website 99 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 meeting agenda during the past year. In addition, we do not have the additional agendas that did not notice.
- The Board facilitated shareholders who cannot attend the meeting by assigning any independent directors and proposed the name list of at least 2 independent directors who were to act as proxies to vote in each meeting agenda on behalf of shareholders. In 2015 Annual General Meeting of Shareholders, there were 488 shareholders who authorized Mr. Sakdi Kiewkarnkha, Chairman of Audit Committee, there were 40 shareholders who authorized Dr. Thamnoon Ananthothai a member of Audit 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/EGM voting system for each agenda separately so that they can vote as appropriate. The voting cards are then collected and calculated together

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with the votes cast before in the proxy form. The votes are then announced in the meeting room and filed the cards for inspection.

- The Board assigned 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 2015 Annual General Meeting of Shareholders in investor relations section on www.thaiunion.com immediately on the date of 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 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 3 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 acknowledgement 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 company secretary to oversee and follow up items with potential conflict of interests and connected transactions. Company secretary is responsible for preparing quarterly summary report of those items and transactions and regularly publicizes such report 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 company secretary to maintain the filing of 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

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potential conflict of interests from leading to possible siphoning of corporate funds and interests from the Company and its subsidiaries.

Roles of Stakeholders

The Company perceives the importance of 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 and financial stability. Therefore, the Company adheres 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;

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 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.

Employees

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

The company has employee's compensation management policy to retain capable employees are attracted towards the organization and focus on performance-based compensation in consideration of fairness within the organization, throughout the competitiveness in labor market, as well as cultural, rules and regulations related 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 of knowledge, experience and performance of individual employees combining with parity within the company evaluation based from responsibility, task complexity, work experience and skillfulness. In addition, the company has set the compensation management policy based on the employee's performance and operation's performance to motivate for culture performances.

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

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1. Drive Superior Financial Performance - driving excellence in financial management and capital efficient 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 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 of annual compensation.

The company has provided fringe benefits which is exceed than the law requirement 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 is each year, the company have set aside funds to ensure that the company can pay the compensation to employees in accordance with their rights in the future to encourage employee to prepare financially before entering retirement in advance. Furthermore, the company has joined with the Social Security Office to held a training course on the philosophy of sufficiency economy and saving for retirement to the employees that are also considered to maintaining the income of the employees in the form of wages and benefits if this happens the business is temporarily disrupted by extending coverage in insurance policies to cover the business income of the employees affected by the suspension of business operation.

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 a 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, pay attention to every customer with fairness, equality without bias.

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- The Company complies with the contract terms or conditions, if not viable, will inform the customers in advance and find the prevention or solution to prevent irreversible damage to the stakeholders.
- The Company provided information regarding the instructions on the product features and specifications of goods and services, as well as how to use, how to keep customers well informed about the product and other services that are sufficiently, accurate and timely to provide customers' decision with enough information without exaggerate as a result for customer misunderstandings about quality or any condition Products or Services in order to maintain sustainable good relationships.
- The company focus on maintaining the confidentiality of customer information, not disclose customer's confidentiality or use for their own benefit and related in any reason.
- The company also sets aside special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.
- The Company will not receive, bribe or make any benefits to the customers.

Business Partners

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

Company policy has selected partners in consideration of the use of labor law 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 an 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 inspirations 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.

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 takes best efforts to minimize its exposure to potential conflict of interests with creditors and 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.

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Competitors

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

Corporate Social Responsibility

The Company perceives the corporate responsibility for the environment in the society and community and for natural resources conservation. In turning its nature-care spirit into actions, extensive corporate support is given to communities around the plant in terms of both safety and environment at its best. Among our corporate social responsibilities having been materialized include, for example, "Seaelect See Love" volunteering camp recently launched to promote employees' participation in community and social works, Hometown Community Development Program, which has been running on continued basis with clear objectives of promoting community strength and fostering pride in hometowns among employees, and "Blood Donation" organized for nine consecutive years with accumulated blood donated to Thai Red Cross Society Other company-sponsored CSR initiatives in actions through the entire 2015 are further described under Sustainable Development heading on page xx - xx of this annual report.

Respect of Copyrights and Intellectual Property Rights

The Company respects copyrights and intellectual property rights of others by forbidding the employees to use illegal programs or software and strictly comply with the Copyright Act B.E.1994

Anti-Corruption

The Company has signed a Letter of Intent to participate in the Collective Action Coalition of the Thai private sector to conduct anti-corruption activities on August 20, 2015. Hence, the Company has issued the 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 conducts 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 a 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.

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Role and Responsibility

1. Board of Directors are responsible make 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 complaint or report of corrupt activities,
 - Providing advices on the implementations per Anti-Corruption Policy and Code of Conduct, and
 - Reporting finding(s) to 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 conducts 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 include:
 - 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's assets or working hours,
 - Laundering money,
 - Obstructing or impeding due administration of justice or judicial proceeding,
 - 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.

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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 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 be conformance 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.

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
23rd floor, S.M.Tower, Samsennai, Phayathai, 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.

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 investor relations section on corporate website in both English and Thai languages so as to provide equitable and credible access opportunity for shareholders, institution 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 report indicating its responsibilities to prepare financial statements. Such report is exhibited alongside the auditor's report in the Company's annual report to ensure true and fair presentation of the financial statements regularly following the generally accepted accounting standards and accounting policy.

The Board opinions that there is effective administration of internal controls in the Company and that the reasonable fairness is assured for the financial statements for period ending December 31, 2015, for which the Company's auditors have conducted the audits on a generally accepted auditing standards.

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Remuneration for Directors and Management

- Directors are remunerated in the form of monthly retainer and meeting allowance comparable in average to the general practice in the industry, suitable for the scope and amount of assigned responsibilities, and shareholders approved. Aside from the preceding meeting allowance, directors are not additionally remunerated from the Company's subsidiaries.
- Executive directors are remunerated in the form of monthly retainer, meeting allowance, salary, provident fund matching contribution and annual bonus based mainly on operational performance of the Company and work performance of each director.
- The management team is remunerated in the form of salary, provident fund matching contribution and annual bonus based mainly on operational performance of the Company and work performance of each management member. 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 of annual compensation.
- Aside from the preceding monetary remuneration, the Company does not pay any other remuneration to directors.

The Company considers the total amount of annual remuneration paid to the Board and management members is not high when compared to the average amount paid by other listed companies in the Stock Exchange of Thailand due to the Company's attention to the best interests of shareholders. The remuneration paid to the Board and management members in the year 2015 in comparison with its counterparts in the year 2014 is set forth below:

Unit : Million baht	2015		2014	
	Board of Directors	Management Team	Board of Directors	Management Team
Number (Person)	12	10	13	10
Retainer/Meeting Allowance	7.35	-	7.87	-
Salary/Annual Bonus	-	102.85	-	89.11
Provident Fund Matching Contribution	-	4.95	-	4.83
Total	7.35	107.80	7.87	93.94

The Board perceives the importance of correct, complete and transparent information disclosure to all shareholders, investors and all parties concerned on equitable treatment basis. Information on operations and financial status is communicated clearly and timely under relevant laws to provide target groups with correct understanding of the Company, thereby creating acceptance and investment sentiment among investors. The communication also allows the Company to gain insight into public view on the Company's operations, which will be a part of considerations for future goal and strategy setting. Although the Investor Relations Unit is not officially set up, the Company clearly assigns the management and other personnel to assist in communicating with the public as follows:

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1. Mr. Thiraphong Chansiri President&CEO
2. Mr. Wai Yat Paco Lee Duputy General Manager, Investor Relations & Corporate Investment
3. Mr. Bunlung Waiyanont Investor Relations Manager

The past continued communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2015 were as follows:

- Approximately 70 company visits by investors and stock analysts
- 75 times of conference call
- 4 analysts meetings following the announcement of operating results
- 4 times of Opportunity Day by SET
- 6 plant visits by stock analysts
- 2 plant visits by minor shareholders
- 12 overseas investor conferences
- 8 local roadshows

In addition, the Company provides the public with written information dissemination through 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
- TU 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 debts payment in the company website
- Annual report for shareholders, investors and other interested general public
- 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, Securities Analysts Association had ever granted to the Company its annual SAA's Picked Award for being the most-admired listed company's top executive. The Company had ever achieved totally 2 awards in Agro & Food category; The Most-admired CEO Award, The Most-admired IR Award, The grant of the awards is based on favorable votes cast by stock analysts and fund managers who identify the Company's regular provision of complete and accurate in-depth information, including facilitating convenient availability and accessibility for interviews as their deciding factors to vote for the Company.

Business Code of Conduct

The Company has created the code of ethics or statement of business conduct for all directors, management team and employees. The code serves as guidelines for their honest and equitable work operations and is made known to all directors, management team and employees to ensure their awareness, understanding and compliance. The Company believes that such practice would improve the standards of good corporate governance and promote investor

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confidence in the Company's management as well as preserve justice and credibility in the capital market. The code of conduct covers the following area;

- | | |
|---|---|
| 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 |

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. He holds a Bachelor's Degree in Audit from University of the Thai Chamber of Commerce, and is a Certificated Public Accountant (CPA) No. 8549

The internal Audit Unit regularly oversee internal controls system, to inspect significant items including operations, compliance controls, risk management and extraordinary items are incorporated, to ensure the effectiveness of controlling system for greater credibility of 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 Risk Management Committee assigns the management team to regularly identify internal and external risk factors as well as to conduct assessment of their impacts on the Company's business. 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 Audit Committee for subsequent address in Board meeting.

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The Handling of Insider Information

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 3 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 acknowledgement of, internal information are not allowed to leak the information to the 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 Board and Chairman of 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.

Connected Transaction

Connected transaction policy between TUF 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 the market price like transactions with any other outside parties (Arm's Length Basis). In the case of the Audit Committee does not have expertise in the connected transactions, the company will provide independent appraiser or external auditor of the company to ensure that such price is reasonable to the Company before that 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 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.

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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, the transactions involving directors and management, they are not allowed to vote and attend the meeting.

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