



## UNIMECH GROUP BERHAD

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# DIRECTORS' FIT AND PROPER POLICY

## 1. OBJECTIVE

- 1.1 This Policy serves as a guide to the Nominating Committee ("the NC") and the Board in their review and assessment of candidates to be appointed onto the Board and members of Key Senior Management as well as Directors who are seeking for re-election in Unimech Group Berhad and/or its subsidiaries.
- 1.2 To ensure that each of the Directors possess the character, integrity, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

## 2. CRITERIA

- 2.1 The fit and proper criteria of a Director shall include but not limited to the following:

### 2.1.1 Character and Integrity

#### (i) **Probity**

- complies with legal obligations, regulatory requirements and professional standards.
- has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

#### (ii) **Personal integrity**

- has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not) or which otherwise reflect discredit on his professional conduct.

- service contracts (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity.
- has not abused other positions (i.e. that he has held) in a manner that contravenes principles of good governance and professional ethics.

**(iii) Financial integrity**

- manage personal debts or financial affairs satisfactorily.
- demonstrate ability to fulfil personal financial obligations as and when they fall due.

**(iv) Reputation**

- is of good repute in the financial and business community
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management

**2.1.2 Competence and capability**

**(i) Qualifications, training and skills**

- possess education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
- has a considerable understanding on the business and workings of a large public corporation.
- possess general management skills as well as understanding of good corporate governance best practices and sustainability issues.
- financial literacy especially able to read and understand financial statements.
- Keep knowledge current based on continuous professional development.

**(ii) Experience and competence**

- possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

(iii) **Relevant experience and expertise**

- Had careers of occupying a high-level position in a comparable organization and was accountable for driving or leading the organization's governance, business performance or operations.
- Possess commendable past performance record as gathered from the results of the board effectiveness evaluation.

2.1.3 **Time and commitment**

(i) Ability to discharge role having regard to other commitments

- able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organizations).

(ii) **Participation and contribution in the Board or track record**

- demonstrate willingness to participate actively in Board activities.
- demonstrate willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom
- Manifest passion in the vocation of a Director.
- Exhibit open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

### 3. THE ASSESSMENT

- 3.1 The NC will assess candidates for each new appointment as Director based on the fit and proper criteria as spelt out in 2.1 above before recommending to the Board for approval.
- 3.2 For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Forms.
- 3.3 For the appointment of new Director, the candidate is required to provide a Directorship profile. The candidate will also be required to complete a self-declaration of fit and proper form and if necessary authorise the Company to perform background check.
- 3.4 The information gathered and results of the assessment are part of the Company's internal documents and shall not be disclosed or provided to any other party.

#### **4. REVIEW OF THE POLICY**

- 4.1 The NC is responsible for regular reviews of the Policy and making any recommended changes as and when it deemed appropriate to the Board for approval. The Policy shall be aligned to any legal or regulatory changes and the best practices under the Malaysian Code on Corporate Governance.

The Directors' Fit and Proper Policy has been adopted by the Board on May 25, 2022.