

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7091  
**COMPANY NAME** : UNIMECH GROUP BERHAD  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall performance of the Group by setting the vision and objectives, including strategic direction, establishing goals for management and monitoring the achievement of these goals.</p> <p>Dedicated Board Committees have been established with clear Terms of Reference, as stipulated in the Board Charter which is available in the Company's website <a href="http://www.unimechgroup.com">www.unimechgroup.com</a> to effectively discharge these responsibilities.</p> <p>During the year, the Board had meetings every quarter with the management of the Company to present and review the performance and results of the business.</p> <p>An annual review of the overall performance and financial forecast was deliberated during the November 2022 meeting by the Board together with the management.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Dato' Professor See is a respected Chairman who would always voice her views on any issues objectively. She provides quality leadership to the Board thus enabling the Board to perform its responsibilities effectively.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The positions of the Chairman and CEO are held by two (2) different individuals who holds distinct and separate roles with clear division of responsibilities, ensure a balance of power and authority of the two (2) roles. Their roles and responsibilities are provided in the Board Charter which is available at the Company's website: <a href="http://www.unimechgroup.com">http://www.unimechgroup.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.4**

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	Dato' Professor See is the Chairman of the board. She is not a member of the Audit Committee ("AC"), Nomination Committee or Remuneration Committee.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has unrestricted access to the advice and services of the Company Secretaries to assist the Board to discharge its duties effectively. The Board is supported by qualified and competent Company Secretaries who are Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 234(2) of the Companies Act 2016. They ensure that the Company's Constitution, procedures, statutory obligations, policies and regulations are complied with in a timely manner. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Company Secretaries organize and attend all Board and Board Committee Meetings as well as meeting of members.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>An annual meeting calendar is prepared and circulated to all Directors before the beginning of each year to facilitate planning for the Directors.</p> <p>The Notice of Meeting for the Board of Directors and/or respective Committee Meetings are circulated within ten days prior to the meetings.</p> <p>The Meeting papers were prepared and emailed to the Board and respective Board Committee via email to ensure that the Board and Committee members received timely information.</p> <p>Draft minutes of each Board and/or respective Committee meetings are circulated to the Board and/or respective Committee for their review and comments in a timely manner before the minutes are tabled for confirmation at the next meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies—

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter, which is available on the Company's website at: <a href="http://www.unimechgroup.com">http://www.unimechgroup.com</a> is subject to annual reviews and updates to ensure its compliance with regulatory requirements to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.</p> <p>The Board Charter clearly sets out the roles and responsibilities of the Board, the Board Committees individual directors and management.</p> <p>The Board Charter was reviewed on 24 August 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code of Conduct and Ethics ("Code") of Unimech which is available on the Company's website at <a href="http://www.unimechgroup.com">www.unimechgroup.com</a>, function as a guide to the Directors and employees. It states the responsibilities and obligations of the Directors and employees and to adopt the basic standards of conduct that are expected to them. The principle of this Code is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility.</p> <p>The following are the principles that the Company's Directors, management and employees must observe:</p> <ul style="list-style-type: none"><li>(i) Conduct all business with honesty, integrity and transparency and accountability.</li><li>(ii) Comply with the country's law, rules and regulations</li><li>(iii) Promote ethical behaviour among peers, subordinates, suppliers and customers</li></ul> <p>The Code of Conduct and Ethics was reviewed by the Board on 24 August 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Whistle-Blowing Policy established by the Board embodies the Company's commitment to achieving and maintaining the highest standard of work ethics in the conduct of business in line with the code of conduct &amp; ethics and good corporate governance practices. The Company and its subsidiaries ("the Group") encourage its employees to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste and/or abuse involving the resources of the Group.</p> <p>The policy provides an avenue for all employees of the Group and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the publish who report such allegations.</p> <p>The Audit Committee Chairman did not receive any such report in financial year 2022.</p> <p>A copy of the Whistle-Blowing Policy is available at the Company's website: <a href="http://www.unimechgroup.com">www.unimechgroup.com</a></p> <p>The Whistle-Blowing Policy was reviewed by the Board on 24 August 2022.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The strategic management of material sustainability matters is managed by Executive Directors and Senior Management, and supported by the Risk Management Committee.  In managing the sustainability of the Company, the Board and Management are committed to integrate the three (3) pillars of sustainability (EES) into the business operation.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company is aware of the importance of stakeholders’ engagement and various methods have been identified to communicate with them. As concerning the internal stakeholders, in-house, on-site and external training, internal communications, internal policies and procedures and performance management are some of the actions taken. While the external stakeholders received updated information and engagement through announcement via Bursa Securities, Annual General Meeting, Quarterly and Annual Report, formal and informal meetings.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is consciously aware of the significant footprint towards the environment, i.e. reduction of greenhouse gas (“GHG”) emission, reducing operation costs etc. The Group is progressively minimising the reliance on non-renewable sources of energy and minimising the wastage which in turn increases cost-efficiency. Several initiatives were carried out to reduce energy consumption such as maintenance and replacement of electrical equipment and light fittings to maximize energy efficiency, upgrading efficiencies of electrical equipment and appliance, implementing full shut down on electricity during employee break time and using auto-sensor to switch of lights.</p> <p>The Group is committed to integrate the three pillars of sustainability (Economic, Environment and Social “EES”) into business.</p> <p>On the impact of climate change and its related risks and opportunities, the Group has also diversified into renewable energy, carrying out solar photovoltaic business activities through a joint venture with a subsidiary company of the renowned renewable energy company, Pekat Group Berhad, which is also a company listed on Bursa Securities.</p> <p>The PV panels receive sunlight energy and the inverter converts the energy to direct current electricity to power up the electrical devices in the potential client’s premises. The goal is to promote adaptation against the impact of climate change.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>: Based on the review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities, the following sustainability priorities were identified and progress and results have been satisfactory.</p> <p><u>Economic</u></p> <p>Product responsibility to customers: We aim to deliver quality products to meet customers’ demand and needs. Our manufacturing subsidiary has been awarded ISO 9001 certification.</p> <p>Supplier: The Group endeavours to enhance the price competitiveness by achieving cost effectiveness. The Group has set up a team in the supplier plant to work closely with suppliers to gain mutual understanding and to develop ways to continuously improve and create value for the business and improvement in supply chain management.</p> <p>Apart from the above, in compliance with the ISO certification, the Group has an assessment procedure in respect of the selection of its suppliers. The Group conducts site visits to selected suppliers, as well as evaluates their company background and financial status to determine the reliability of the suppliers. Evaluation has also been conducted for selected key suppliers to ensure that the bulk of the supplies remain optimal. The Group conducted sampling checks on the goods purchased to ensure the goods received are in accordance to the Groups requirements.</p> <p><u>New Potential market</u></p> <p>The Group’s solar division was awarded as a Registered Solar PV Investor (RPVI) by the Malaysian Sustainability Energy Development Authority (SEDA) under the Net-Energy Metering Program in 2021. With this RPVI award, it is permitted to take on solar PV projects of all capacities, operate as investor of the solar PV initiative, offering PPAs or Power Purchase Agreements and services on Solar Leasing.</p> <p>In conjunction with the above, the Group’s solar division is expected</p>

	<p>to generate revenue in year 2023 derive from the two projects secured in Malaysia's Northern Region in year 2021 with solar capacities of 595.08kWp and 640.44kWp, along with one project in Malaysia's Southern Region with a capacity of 536.76kWp.</p> <p><u>Environment</u></p> <p>The Group is also progressively minimising the reliance on non-renewable sources energy and minimising the wastage which in turn increases cost-efficiency.</p> <p>The Group's energy efficiency initiative focuses on solar energy installation in buildings, which will help to decrease electricity consumption; thus, a total of 406.32kWp capacity solar panels are proposed to be installed within the Group of companies. The Group is expecting to decrease the cost of electricity consumption and CO2 emissions of RM122,000.00 and 290 tonne of CO2 emission respectively in the future as a result of its adoption of renewable energy.</p> <p><u>Social</u></p> <p>Occupational safety and health are in place for the employees. Some of the Group's subsidiary companies were awarded 5S certification – Quality Working Environment by Malaysia Productivity and Corporation. The Group also provides more than thirty (30) panel clinics in different locations to benefit staff. Attractive long term service award in cash ranging from RM1,500.00 to RM40,000.00 for employees based on their years of service is one of the benefits to attract retention of staff.</p> <p>On its social responsibility, the Group contributed to the local communities for the less fortunate and underprivileged group amounting to RM91,000.00 in year 2022.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### **Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### **Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Risk Management Committee (“RMC”) has taken up the role and responsibilities of the Sustainability Committee and headed by an Executive Director. The RMC oversees the strategies, policies, initiatives, targets and performance of the Group to ensure that the Group’s business is conducted in a sustainable manner.



**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.1**

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee conducts a yearly assessment on the Board and Board Committee.  The current Board members comprises a mixture of skills from business, economics, accounting, science, education, law and finance.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at the date of this Report, the Board has ten (10) members, comprising one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and six (6) Executive Directors, wherein at least 40% of the Board comprises Independent Directors. The Company complies with Paragraph 15.02 of the Main Market Listing Requirements which require at least two (2) directors or one-third (1/3) of the board of directors of a listed issuer, whichever is the higher, to be independent directors.</p> <p>Their profiles are set out in the Annual Report 2022 under Profile of Directors.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Encik Khairilnuar Bin Abdul Rahman, an independent Director of the Company has served on the Board for a cumulative term beyond 9 years and will obtain the shareholders' approval to continue as an Independent Non-Executive Director at year 2023 AGM under the two-tier voting process.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current Board members comprises a mixture of skills from business, economics, accounting, science, education, law and finance.</p> <p>The Nominating Committee and the Board review and conduct a yearly assessment on the Board and Board Committees.</p> <p>The criteria for the selection and appointment of key senior management was made having taken into consideration their experience, age, diversity, skills, gender, cultural background and other qualities.</p> <p>The directors appointed were able to devote the required time to serve the board effectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In identifying new Board members, the Board seeks recommendation for candidates from existing Board members, management and major shareholders and also consider candidates from all sources including independent sources as long as the candidates are suitable.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.7**

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognizes the importance of ongoing engagement and communication with shareholders, which it believes would build the trust and understanding between the Company and its shareholders and also provides shareholders a better appreciation of the Company’s objectives and the quality of the management. This in turn will assist shareholders in evaluation the Company and facilitate shareholders to determine how their votes should be exercised.</p> <p>Details of the directors seeking re-election at AGMs were included in the Company’s Annual Report to ensure shareholders have sufficient information to make informed decisions on their respective re-appointments.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the Nominating Committee is Encik Khairilnuar Bin Tun Abdul Rahman who is an Independent Non-Executive Director.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board takes cognisance of the recommendation of the MCGG to promote gender diversity. Notwithstanding the recommendation, the Company does not practise any form of gender, ethnicity and age group biasness. The Company is committed to provide fair and equal opportunities for all candidates. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the company. The company is headed by a Chairwoman.</p> <p>Currently there are six (6) Executive Directors and four (4) Independent Non-Executive Directors of which two (2) Independent Non-Executive Directors are women representing 20% of the Board members.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company does not have a policy on gender diversity for the board and senior management. However, the Board takes cognisance of the recommendation of the MCCG to promote gender diversity. Notwithstanding the recommendation, the Company does not practise any form of gender, ethnicity and age group biasness.	
		The Company is committed to provide fair and equal opportunities for all candidates. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Nominating Committee undertake to conduct an annual assessment and evaluation on the effectiveness of the Board members and Board Committees based on questionnaires led by the Nominating Committee Chairman and supported by the Company Secretary. The assessments were conducted on the individual Board members, the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee and also the independency of the independent directors.</p> <p>The Nominating Committee and the Board are satisfied with the composition, time commitment and contributions by the Board and Board Committees.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The Board does not have a remuneration policy. Nevertheless, the remuneration of the directors and senior management were based on their annual performance assessment.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has established a Remuneration Committee which comprises wholly of independent Non-Executive Directors. The Terms of Reference which deals with its authority and duties are disclosed and is available at the Company's website: <a href="http://www.unmechgroup.com">www.unmechgroup.com</a>  The Terms of Reference of the Remuneration Committee was reviewed by the Board on 24 August 2022.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration paid/payable for the financial year ended 31 December 2022 on an individual basis are set out below:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Seri Lim Cheah Chooi	Executive Director	21.0	7.8	-	-	-	-	28.8	21.0	7.8	391.2	-	-	320.672	740.672
2	Lim Kim Guan	Executive Director	21.0	7.5	-	-	-	-	28.5	21.0	7.5	36.0	-	-	-	64.5
3	Han Mun Kuan	Executive Director	21.0	7.8	-	-	--	-	28.8	21.0	31.8	242.4	-	--	717.499	1,012.70
4	Lim Jun Lin	Executive Director	21.0	7.8	-	-	-	-	28.8	21.0	7.8	431.992	-	-	199.248	660.040
5	Sim Yee Fuan	Executive Director	21.0	7.8	-	-	-	-	28.8	21.0	8.9	276.0	-	-	172.115	478.015
6	Yoshikazu Yokochi	Executive Director	21.0	7.8	-	-	-	-	28.8	21.0	7.8	287.097	-	-	-	315.897
7	Dato' Prof Dr See Ching Mey	Independent Director	29.0	1.8	-	-	--	-	30.8	29.0	1.8	-	--	-	-	30.80
8	Teh Eng Aun	Independent Director	27.0	2.8	-	-	-	-	29.8	27.0	2.8	-	-	-	-	29.8
9	Dato' Seri Haji Abdul Rafique Bin Abdul Karim (retired on 29 June 2022)	Independent Director	35.5	1.8	-	-	-	-	37.3	35.5	1.8	-	-	--	-	37.3
10.	Khairilnuar Bin Tun Abdul Rahman	Independent Director	21.0	1.8	-	-	-	-	22.8	21.0	1.8	-	--	-	-	22.8
11	Khoo Gim See	Independent Director	21.0	2.8	-	-	-	-	23.8	21.0	2.8	-	-	-	-	23.8
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input

			info here	info here	info here	info here	info here	info here	info here	info here	info here	info here	info here	info here	info here	info here
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### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is aware of the best governance practice to disclose the Senior Management's remuneration details on named basis.</p> <p>The Board is of the opinion that besides confidentiality and security concern, the detailed disclosures of remuneration on a named basis may be detrimental to its business interest, given the industry's competitiveness.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee is Mr Teh Eng Aun who is the Senior Independent Non-Executive Director and he is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Terms of Reference of the Audit Committee ("AC") was updated and adopted by the Board on 15 September 2021 to include that where a former key audit partner is appointed as the Independent Director of the Company, a cooling-off period of at least three (3) financial year ends is observed before the concern person can be appointed as a member of the AC.</p> <p>Currently, none of the members of the AC were former key audit partners.</p> <p>The Terms of Reference of the AC was subsequently reviewed on 24 August 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

**Practice 9.3**

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Terms of Reference of Audit Committee also includes the followings:</p> <ol style="list-style-type: none"> <li>1) Review the External Auditors’ scope of work and audit plan for the Group</li> <li>2) Review the reports of External Auditors pertaining to accounts and internal control status.</li> <li>3) Recommend to the Board for the appointment of External Auditors.</li> </ol> <p>The Audit Committee was satisfied with the suitability and independency of the External Auditors based on the quality of services and sufficiency of resources they provided to the Group, in terms of the firm and professional staff assigned to the audit.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit Committee of the Company comprises solely of independent directors.



## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Under the Terms of Reference of the Audit Committee, at least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants ("MIA") or have at least three years working experience and have passed the examination specified in Part 1 of the 1<sup>st</sup> Schedule of the Accountants Act 1967 or must be a member of one of the association of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act 1967. It is also stipulated that all AC members shall be financially literate and are able to understand matters under the purview of the AC including the financial reporting process.</p> <p>The Chairman of the Audit Committee is a member of the MIA. Nevertheless, members of the Audit Committee are all financially literate and have understanding of the financial reporting process and the financial matters discussed. The members also attended training relating to tax rulings and/or corporate governance changes.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company has established a Risk Management Committee ("RMC") which is headed by the Group's General Manager and 2 independent Directors as members. The Board delegates to the RMC the responsibility for evaluating, reviewing and monitoring the vital enterprise risk affecting the business and operations as an on-going basis.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is fully aware of its responsibilities to safeguard and enhance the value of shareholders.</p> <p>The Company has its in-house internal audit department to assist the risk management and internal control of the Group. Reports from the internal audit department were presented to the Board for discussion during the Board meetings and recommendations adopted and implemented. The Company also engaged a third party professional firm to carry out the internal audit functions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Risk Management Committee was established and headed by an Executive Director and two Independent Non-Executive Directors as members. In order to enhance the risk management practices, the Group has established a risk management framework which involved in identifying, evaluation, monitoring and managing significant risks affecting the achievement of its business objectives.

**Intended Outcome**

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

**Practice 11.1**

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The in-house internal audit department assists the Board in monitoring and managing risk and internal controls. The internal audit functions also assist the Audit Committee in discharging its duties and responsibilities. The Company also engaged a third party professional firm to carry out the internal audit functions.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mr Ooi Wei Seong is in charge of our in-house internal audit. Mr Ooi has over 10 years of internal and external audit experience and he is a member of the Malaysian Institute of Accountants (MIA). He is free from any relationships or conflicts of interest which could impair his objectivity and independence.</p> <p>The Company had engaged a third party professional firm to carry out the internal audit function for year 2022.</p> <p>The information on the internal Audit function is available in the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognizes the importance of ongoing engagement and communication with stakeholders, which it believes would build the trust and understanding between the Company and its stakeholders and also provides stakeholders a better appreciation of the Company's objectives and the quality of the management. This in turn will assist stakeholders in evaluating the Company and facilitate shareholders to determine how their votes should be exercised.</p> <p>The Board provides stakeholders with quarterly results and Audited Financial Statements as well as corporate announcements on significant developments affecting the Company through announcement in Bursa Securities in accordance with MMLR.</p> <p>The investor relation details published in the Company's website would enable the stakeholders to seek clarification or raise queries via email or phone at any time.</p> <p>Communication and feedback from investors can also be directed to <a href="mailto:ugb1info@unimechgroup.com">ugb1info@unimechgroup.com</a> or</p> <p>Wisma Unimech 4934 Jalan Chain Ferry 12100 Butterworth Pulau Pinang</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:	Please provide an explanation on how the practice is being applied.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has provided at least 28 days prior notice for the AGM in 2022 to enable shareholders to have sufficient time to consider the resolution to be discussed.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Based on past practice, all Directors including the Chair of Board Committee were mostly present at the Annual General Meetings and EGM (if any). The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them (if any).	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company does not have a large number of shareholders to warrant voting in absentia and/or remote shareholders' participation at General Meeting. As at 24 March 2023, the Company has 1902 shareholders.</p> <p>The Company did not, in the past, held meetings in remote locations and do not intend to do so in future. Previous AGM were held at hotels which were easily accessible and at a time convenient to the shareholders.</p> <p>The Company's Constitution allows members to vote by proxy subject to the provision governing the appointment and validity of proxies as contained in the Constitution.</p> <p>A shareholder is entitled to attend, speak and vote at a meeting, may appoint proxy/ proxies to attend, speak and vote instead of the shareholder.</p> <p>The Company engaged Digerati Technologies Sdn. Bhd as the service provider for the virtual General Meeting held in year 2022. As a licence service provider, good cyber hygiene practices were in place including data privacy and security to prevent cyber threats.</p> <p>All resolutions tabled at general meetings will be put to vote by way of a poll and verified by an independent scrutineer. The voting results were announced at the meetings and through Bursa Securities on the same day. At the 25th AGM, the Company conducted poll voting via electronic means for all the 8 resolutions tabled. The results of the poll were duly verified by Quantegic Services Sdn. Bhd., the independent scrutineer appointed by the Company, and announced by the Chairman at the AGM. The details of the voting results were announced to Bursa Securities on the same day.</p> <p>As such, the intended outcome of this Practice has been achieved as</p>

	the shareholders were able to participate, engage with the board and senior management effectively and making informed voting decisions at the AGM.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	During the AGM the Chairman ensured that there were meaningful engagement between the board, senior management and shareholders. Questions raised by the shareholders pertaining to the financial and non-financial performance and answers were recorded in the AGM's minute and uploaded at the Company's website: <a href="http://www.unimechgroup.com">www.unimechgroup.com</a>  Shareholders can also pose their questions in advance by submitting them via the request form otherwise they may pose their questions during the AGM using the Q & A section.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.5**

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Company’s 25 <sup>th</sup> AGM was conducted via fully virtual. The meetings went smoothly and shareholders were able to participate and questions posed were made visible to meeting participants during the meeting itself.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Minutes of the 25 <sup>th</sup> Annual General meeting and matters raised by members were uploaded at our website at <a href="http://www.unimechgroup.com">www.unimechgroup.com</a> within 30 business days after the general meeting.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES  
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA  
MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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