



QCA CODE 10 PRINCIPLES COMPLIANCE

(Updated: 27 January 2023)

The following sets out the 10 QCA Code principles and explains how Unigel Group Plc has complied with each of the principles:

PRINCIPLE 1

Establish a strategy and business model which promotes long-term value for shareholders

Unigel Group intends to grow in tandem with the markets it serves and believes that with access to capital markets, the Group will be poised to capitalize on market growth, further investment in R&D and product development, increased production capacity, and expansion of its current product portfolio offerings to take advantage of the proliferation of wired and wireless broadband networks around the world.

Unigel Group believes that it has a robust business model that can scale with market growth in the telecommunications sector. The proliferation of telecommunication networks has permeated all facets of our daily lives and economic activities, triggering exponential growth in network density and capacity, and the introduction of new high growth technologies such as 5G, artificial intelligence (AI), machine learning, robotics, internet of things (IoT), big data. Further digitisation and orchestration of infotech and communication networks present a strong opportunity for the Group to capitalise.

The ability to focus on growth opportunities for the Group will depend on its capacity to attract management and technical talents, and to address business growth beyond its current organic approach, including acquisitions of potential targets in the fibre optic cable components eco-system.

PRINCIPLE 2

Seek to understand and meet shareholder needs and expectations

Understanding shareholders' expectations and setting clear communication channels with shareholders are important to the Company. A few of the communication channels available to shareholders providing updated information and feedback from the Company include announcements on the Regulatory News

Service platform, release of corporate news on the Company's website, enquiries contact form provided on the Company's website and the interim results and annual reports.

The Company's General Meeting is one avenue for the Board of Directors to meet shareholders and hear their needs and expectations. The Board meets shareholders at least once a year at the Company's Annual General Meeting.

PRINCIPLE 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group has established long term and many good relationships with its customers, suppliers with majority of its key personnel being long service employees. Our sales team is always in constant communication with customers to understand their requirements and problems. The Group has developed new product grades to meet customers' changing requirements. We conduct customer satisfaction surveys annually to obtain more feedback on our service level and customers' expectations from the Group.

With the suppliers, communication and expectations between the parties are clear where risks associated with supply of materials are mitigated.

Development and issues with customers and suppliers are discussed in the Group's monthly management meeting. Appropriate actions, when necessary, will be undertaken to resolve and bring development forward.

PRINCIPLE 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group's risks and its risk management are monitored by the Board. The Board considers risks to the business and formally reviews and documents the risks every half year. The Board sets risk levels and risk tolerance for the Group's business.

The Board shall engage external expertise to advise when necessary.

The Audit and Risk Committee is responsible for carrying out risk management activities including identifying risk, profiling risk, reviewing action plans to mitigate risks and monitoring progress. The Audit and Risk Committee is supported by managers in the Group who will carry out all activities.

PRINCIPLE 5

Maintain the Board as a well-functioning, balanced team led by the Chair

The Board has an appropriate balance between Executive and Non-Executive Directors and is made up of a good mix of skills including strategic management, business development, finance management, industry experience and corporate governance.

The Board has at least one independent non-executive Director and the Chairman of the Board is a Non-Executive Director. The current Board is comprised of 2 executive Directors and 2 Independent Non-Executive Directors.

The Board is supported by two Board Committees which is the Audit and Risk Committee and the Remuneration and Nomination Committee.

PRINCIPLE 6

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board ensures that all Directors continually update their skills and knowledge required to fulfil their roles both on the Board and the Board Committees. All Directors have access to the advice and services of the Company Secretary.

Brief biographies of the Directors can be found on the Company's website. The Executive Directors have considerable expertise and experience in their roles. The Non-Executive Directors possess a range of industry, business, financial and corporate governance to bring both balance, insight and relevance to the Board.

PRINCIPLE 7

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Remuneration and Nomination Committee annually reviews and evaluates the performance of the Board and each Director.

PRINCIPLE 8

Promote a corporate culture that is based on ethical values and behaviours

The Board promotes open communication and corporate culture based on sound ethical values. Similar culture is encouraged with employees of the Group. The Employee Handbook provides for all good moral values required from all employees. Policies such as anti-bribery, safety and health and whistle blowing practices are transparent within the Group.

PRINCIPLE 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Company will provide a Corporate Governance Statement in its annual report and describe the Company's governance framework and how it is appropriate and suitable for the Company.

The Company has established a framework, internal controls and policies to maintain good corporate governance in the Group. Decision making and authority are clearly stated and procedures to monitor and report strategic projects are in place. The Board gets monthly accounts from the Management and any other additional reporting which require regular reporting.

The Board reviews functions and terms of reference of its Board Committees at least once a year to make them remain relevant and effective.

PRINCIPLE 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

A few of the communication channels available where shareholders can get updated information and feedback from the Company are announcements on the Regulatory News Service platform, the release of corporate news on the Company's website, the enquiries contact form provided on the Company's website, interim results and annual reports.

The Company's general meeting is one avenue for the Board of Directors to meet shareholders and hear their needs and expectations.