

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement of Corporate Governance Overview Statement (“Statement”) of Alam Maritim Resources Berhad (“AMRB”) and its subsidiaries (collectively referred to as “the Group”) aims to provide an insight into the Corporate Governance practices of the Group under the leadership of the Board of Directors (“the Board”).

The Board views corporate governance as a fundamental process contributing towards achieving long-term shareholder value, taking into account the interest of other stakeholders. Amidst an increasingly challenging operating environment, the Board continuously strives to refine the Group’s corporate governance practices and processes to meet these challenges head-on, safeguard the Group’s assets, enable sustainable performance and ultimately enhance shareholders’ value.

This Statement is augmented with a Corporate Governance Report, which provides detailed disclosures on the application of each Practice as codified with the latest Malaysian Code on Corporate Governance 2021 (“MCCG”) during the new FPE2022 under review. The Corporate Governance Report is available on the Company’s website as well as via the announcement made on the website of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The Board has been guided by the MCCG in its implementation of Corporate Governance practices while ensuring compliance with the Main Market Listing Requirements (“MMLR”) and the Companies Act 2016 in addition to monitoring developments in industry practice and other relevant regulations.

The Statement should also be read alongside other statements in this Annual Report (e.g. Statement on Risk Management and Internal Controls and Sustainability Statement) for a holistic understanding of the Group’s corporate governance framework and practices.

A: BOARD LEADERSHIP AND EFFECTIVENESS

The Group continues to be led and controlled by an active, engaged and experienced Board. Throughout the year, the Board continued to drive and effectively steer the Group with strategic direction through active engagement with the Management.

Board Roles and Responsibilities

The Board has the collective responsibility for the overall conduct and performance of the Group’s business and affairs by maintaining effective control over management oversight, setting the strategic direction of the Group and promoting ethical conduct in its business dealings. In discharging its roles and responsibilities, the Board is mindful of the need to safeguard the interests of all stakeholders.

The Board also sets the Group’s core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations. The roles and responsibilities of the Board are set out in the Board Charter which is available on AMRB’s website.

Board Committees have been established to assist the Board in its oversight function on specific matters. Whilst oversight of selected responsibility areas is delegated to the Board Committees, the Board nevertheless retains collective oversight and jurisdiction over the Board Committees. The Board Committees namely the Board Audit Committee (“BAC”), the Board Nomination and Remuneration Committee (“BNRC”) and the Board Risk Management Committee (“BRMC”) are guided by their respective Terms of Reference (“TOR”). The proceedings and deliberations of the Board Committees are reported to the Board at every Board Meeting. On matters reserved for the Board and where the Board Committees have no authority to make decisions, recommendations are highlighted in their respective reports together with the Committee members’ comments and views for the Boards’ deliberation and approval. The TORs of the Board Committees are available on AMRB’s website.

There is clear separation of roles between Chairman of the Board and the Group Managing Director/Chief Executive Officer (“GMD/GCEO”) to bring about an effective check and balance mechanism. The Chairman is primarily responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator and consults the Board promptly over any matter that gives him/her cause for concern. The Chairman is responsible for representing the Board to the shareholders.

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The GMD/GCEO assists the Chairman in the effectiveness of the implementation of Board policies and decisions, making operational decisions and monitoring the day-to-day running of the business, including defining the scope of the Management's responsibilities.

The functions and power delegated by the Board to the Management in managing daily business and operations of the Group spelled out in the Financial Limits of Authority ("FLOA") adopted throughout the Group. The schedule of matters reserved for the collective decision of the Board is also enshrined in the FLOA. The FLOA is reviewed when deemed necessary to ensure that they are relevant and up to date.

In performing their duties, the Board is supported by suitably qualified and competent Company Secretaries in discharging its duties and functions. The Company Secretaries act as corporate governance counsel and provide the Board with periodic updates on the latest regulatory developments and facilitate the implementation of pertinent corporate governance enumerations. The Company Secretaries assist in the agenda setting and disseminates complete and accurate meeting materials to Directors in a timely manner in order to facilitate informed and rigorous Board or Board Committee discussions. The Company Secretaries ensure that all Board and Committee meetings are properly convened and all deliberations and decisions made at the meetings are properly minutes and kept.

Board Meetings

The Board adapted to the changing ways of operating in response to the COVID-19 pandemic. By deploying online video conferencing and some physical meetings, the Board and Board Committees have met at least once every quarter to deliberate on matters under their purview. Directors have devoted sufficient time to prepare, attend and actively participate during the Board and/or Board Committees meetings. The Board held thirteen (13) meetings and one (1) Annual General Meeting ("AGM") during FPE2022.

Members of the Management Team were invited, when appropriate to attend Board meetings. Management provides the Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

External advisers may also be invited to attend Board and Board Committee meetings, as the case may be, to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. The Board has the same right of access to all information within the Group and the duty to make further inquiries which they may require in discharging their duties including seeking independent professional advice, if necessary. During FPE2022, no external expert was separately sourced by the Board for advice.

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The Board members have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR of Bursa Malaysia. The attendance of the members of the Board at the Board meetings and 16th AGM, were as follows:-

Board of Directors	Designation	Board Meeting Attendance	16 th AGM Attendance	% of Attendance
Fina Norhizah binti Haji Baharu Zaman (Chairman)	Independent Non-Executive Director	13/13	1/1	100%
Datuk Azmi bin Ahmad	Non-Independent Executive Director	13/13	1/1	100%
Shamsul bin Saad (Appointed w.e.f 1 March 2021)	Non-Independent Executive Director	10/10	1/1	100%
Shaharuddin bin Warno @ Rahmad (Resigned w.e.f 5 February 2021)	Non-Independent Executive Director	1/1	-	100%
Ahmad Hassanudin bin Ahmad Kamaluddin	Non-Independent Executive Director	13/13	1/1	100%
Dato' Haji Ab Wahab bin Haji Ibrahim (Resigned w.e.f 31 May 2022)	Independent Non-Executive Director	13/13	1/1	100%
Ahmad Ruhaizad bin Hashim	Independent Non-Executive Director	13/13	1/1	100%

Board Activities

Among the key activities of the Board during FPE2022 were as follows:

Strategy

- Reviewed, deliberated and approved the Group's three (3) Years Strategic and Business Plan.
- Reviewed, deliberated and approved the Group's 2022 Operational Budget.
- Reviewed, deliberated and approved the Group's Proposed Restructuring Scheme and other transactions relating to the Scheme.

Financial

- Reviewed, deliberated and approved the full-year results for FPE2022.
- Reviewed, deliberated and approved the Director's Report and Audited Accounts for FPE2022.
- Reviewed and approved the Quarterly Results.

Risk and Internal Controls

- Identified principal risks following in-depth corporate and operational risk assessment with all operating units.
- Ensure efficient implementation of appropriate internal controls and mitigation measures.
- Reviewed the adequacy and integrity of the management of information and internal control systems.
- Quarterly risks register status update.
- Reviewed, deliberated and approved the Statement of Risk Management and Internal Control for the Annual Report.
- Reviewed the Internal Audit Report, the recommendations and Management's responses.
- Reviewed the report of the external auditor.
- Reviewed, deliberated and approved the Group's Anti-Bribery & Anti-Corruption Policy.

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Governance

- Approved 2020 Annual Report Statements.
- Annual Board Effectiveness Evaluation.
- Reviewed all the Company's business in accordance with the Company's Constitution.
- Reviewed the tenure of the Directors.
- Established and identified a succession plan for leadership within the Group.
- Received quarterly human resources updates.
- Received quarterly health, safety, security, and environmental updates.

Board Composition

As of 30 June 2022, the Board consists of five (5) members comprising three (3) Non-Independent Executive Directors ("NIED") and two (2) Independent Non-Executive Directors ("INED"). At the date of this report, there are two (2) of the Board members are INEDs, complying with Paragraph 15.02 of the MMLR of Bursa Securities.

The two (2) INEDs of AMRB, namely Puan Fina Norhizah Binti Haji Baharu Zaman, and Encik Ahmad Ruhaizad bin Hashim are not former employees of the Group. Dato' Haji Ab Wahab bin Haji Ibrahim who has been with AMRB for more than 13 years, tendered his resignation with effect on 31 May 2022. He resigned from AMRB due to pursue other interests. AMRB is in the process of identifying a new director for replacement. The INEDs are independent from Management and are able to exercise independent judgment and participate positively in all the Board's deliberations. They also play a pivotal role in corporate accountabilities as they provide unbiased and independent views, advice, opinions and judgment on Board and Board Committees deliberations as well as safeguard the interests of other parties such as minority shareholders and other stakeholders. These values are most clearly illustrated in the Board Committees chaired by the INEDs, namely the BAC, BRMC and BNRC.

The INEDs are not involved in the day-to-day management of the Group and are not a party to any business dealings or any other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgment.

The Board is of the view that the current composition is a mix of knowledge, skills and expertise relevant to the Group's operations which provides strong and effective leadership, strategic direction and necessary governance to the Group. The Board is committed to ensuring diversity and inclusion in its composition and decision-making process. In the facet of gender, it is also worthwhile to acknowledge that the Company is one (1) of the few listed issuers that have a female Non-Executive Director as the Board Chairman.

The profiles of the respective Directors are set out on pages 40 to 44 of this Annual Report.

Succession Planning

The Board recognizes that succession planning is an integral part of the Board's corporate governance practices to ensure continuity in meeting the Group's long-term goals and objectives. Hence, in sourcing for candidates, the BNRC reviews the recommendations from the NIEDs, who have a better understanding of the needs and complexity of the Group, enabling the recruitment of new director(s) as set out in its Term of Reference.

During FPE2022 under review, there were several new changes to the Board, duly recommended by BNRC and appointed by the Board. With the departure of Encik Shaharuddin bin Rahmad, Encik Shamsul bin Saad was appointed as Executive Director as well as Deputy Group Chief Officer with effect from 1 March 2022. Meanwhile, Encik Ahmad Ruhaizad bin Hashim, who is an Independent Director was appointed as Chairman Board Risk Management Committee. There were several movements in the Top Management also took place. Encik Ahmad Fairuz bin Azmi was appointed as Group Chief Operating Officer with effect from 1 April 2021. Their mix of skills, experience, expertise and qualifications are analyzed prior to their respective appointments.

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Appointment to the Board

The BNRC is entrusted with the role of proposing and recommending new candidates to the Board and Committees of the Board. In determining the suitability of candidates, various factors are considered including diversity of skills, expertise, experience, competencies and time commitment of the candidates in discharging their roles and responsibilities through attendance at their respective meetings. The Board decides on the appointment of Directors and members to the Committees of the Board after considering the recommendations of the BNRC.

For new appointments of INED, the assessment of the independence of the proposed Director, which is carried out before the appointment, is ascertained by the criteria set out in the MMLR of Bursa Malaysia and MCGG.

Annual Assessment of Directors

The Board conducts an evaluation of its members and the Board Committees on an annual basis. For FPE2022, the Board Effectiveness Evaluation (“BEE”) was conducted internally by the BNRC with the assistance of the Group Corporate Secretarial Department. The assessment considered the contribution and performance of Directors as regards to their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance board effectiveness. All assessments and evaluations carried out by the BNRC in the discharge of its functions were properly documented.

A separate independence assessment was carried out by the BNRC by way of the Director’s self-assessment to ensure that Independent Directors are able to continue to bring independent and objective judgment to the Board.

Overall, the results of the year FPE2022 BEE indicate healthy Boardroom dynamics with good working relationships among the Board members. Based on the FPE2022 BEE results, the Board will continue to focus on the following to maintain the Group’s competitiveness:

- expedite plan towards talent scouting and succession planning;
- management of key risks;
- management of human capital;
- performance of key business units, and;
- strategic planning.

Tenure of Independent Directors

The Board believes in having a healthy mix of age and experience and therefore does not impose a limit on the length of service of the INEDs as their attributes in terms of skills, experience, professionalism, integrity including core competencies in exercising their objectivity and independent judgment to discharge their responsibilities in good faith in the best interest of the Company are more critical in ascertaining the function and effectiveness of their independence than the number of years served on the Board. The ongoing evaluation also further ensures the effectiveness of the Board as a whole in discharging their duties and responsibilities despite the duration of service for one (1) INEDs having exceeded nine (9) years.

Independence of the Board of Directors

During the financial year under review, the Board of Directors assessed the independence of its INEDs based on criteria set out in Paragraph 1.01 of the MMLR of Bursa Malaysia. All INEDs satisfy the following independence criteria:-

- independence from Management and free from any business or other new relationship which could interfere with independent judgment of the ability to act in the best interests of the Group;
- not involved in the day-to-day operations of the Group other than when collective Board approval is required. This mitigates the risk of undue influence from third parties and allows INEDs to exercise fair judgment;
- declare their interest or any possible conflict on any matter tabled prior to the commencement of the Board meetings. In the case of conflict of interest, Directors are required to recuse themselves and abstain from deliberation to allow unbiased discussion and decision.

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The INEDs' respective backgrounds, experience and understanding of good governance enable them to exercise objective judgment. They are not easily influenced by non-related matters and are able to act in the best interest of the Group and safeguard the stakeholders' interests.

Apart from the above criteria, the independence of the INEDs is assessed annually through the BEE Survey. This exercise involves questionnaires that cover principles, perspectives and personal insights of the respective directors and is completed by all INEDs on themselves and their peers. For the FPE2022, the BNRC has assessed and concluded that none of the Independent Directors have any business or other relationship which could materially interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Group. The BNRC will continue, on an annual basis, to assess the independence of INEDs.

The Board has taken note of the MCGG's recommendations on the tenure of an independent director that should not exceed a cumulative term of nine (9) years. However, an INED may continue to serve the Board of Directors upon reaching the nine (9) years limit subject to the INED's re-designation as an NIED. In the event the Board of Directors intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board of Directors must justify the decision and seek shareholders' approval at the general meeting.

In justifying the decision, the BNRC is entrusted to assess the candidate's suitability to continue as an INED based on the criteria of independence.

At the forthcoming 17th AGM, the Company will seek its shareholders' mandate to retain Puan Fina Norhizah Binti Haji Baharu Zaman as INED of the Company. Puan Fina Norhizah has served the Company as INED for a cumulative period of over nine (9) years.

Re-Appointment and Re-Election of Directors

Under AMRB's Constitution, save for Chief Executive Officer, all Directors must submit themselves for re-election at least once every three (3) years. The Company's Constitution also mandates that one-third of the Board shall retire from office every year and shall be eligible for re-election at the AGM of the Company.

Under AMRB's Constitution, all Directors who are newly appointed to the Board shall hold office until the next AGM subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM. One (1) of the Board members of AMRB was appointed during FPE2022.

The contributions and performance of the Directors who are subject to re-appointment and re-election at the AGM are assessed by the BNRC whose recommendations are submitted to the Board for the Board's decision on such proposed re-appointment and re-election of the Directors concerned, to be tabled for shareholders' approval at the AGM.

The BNRC's recommendations on the Directors standing for re-election at the forthcoming AGM are stated in Explanatory Note 2 under the Notice of the 17th AGM.

Directors' Remuneration

In line with MCGG, the remuneration of Directors is determined at levels that enable the Group to attract and retain Directors with the relevant experience and expertise to manage the Group effectively. In AMRB, the determination of the remuneration packages of the Directors is a matter for the Board as a whole, whereas the BNRC deliberates, proposes and reviews the remuneration packages of Directors and key personnel.

The remuneration packages of both INEDs and NIEDs are drawn based on internal guidelines, considering the level of responsibilities, expertise and contribution to the Board and Board Committees. They are also benchmarked against the survey of remuneration packages of other public listed companies in a similar industry and within the same band of market capitalisation. All Directors, executive and non-executive, abstained from deliberations and voting on decisions in respect of their remuneration.

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In the case of NIEDs, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular NIED concerned. The remuneration of the NIEDs will be reviewed by the BNRC and recommended to the Board thereafter. All NIEDs are paid directors' remuneration taking into account any additional responsibilities undertaken such as a director acting as Chairman of a Board Committee and membership of Board Committees. In addition, the meeting allowance is paid following the number of Board and Committee Meetings attended by each of them. The directors' fees are approved by the shareholders at the AGM in accordance with AMRB's Constitution.

The remuneration of the NIEDs is structured to align with the business strategy and long-term objectives of the Group and to link rewards to individual performance and the performance of the Group. The remuneration policy for the Senior Management is in line with the business strategy, objectives, values, and long-term goals and interests of the Group and guided by the Group's affordability, approved remuneration and reward matrix, and comparison against the current market practice in the same industry.

The directors' remuneration which includes the executive directors who are also Senior management for FPE2022 is presented below:-

Description	BOARD OF DIRECTORS				
	Director's Fee (RM'000)	Salary & Bonus (RM'000)	Emoluments & Benefits* (RM'000)	Meeting Allowance (RM'000)	Total (RM'000)
Fina Norhizah binti Haji Baharu Zaman	169	-	-	19	188
Datuk Azmi bin Ahmad	-	1,192	-	274	1,466
Shamsul bin Saad (Appointed w.e.f 1 March 2021)	-	672	85	-	757
Shaharuddin bin Warno @ Rahmad (Resigned w.e.f 5 February 2021)	-	61	80	-	141
Ahmad Hassanudin bin Ahmad Kamaluddin	-	814	-	-	816
Dato' Haji Ab Wahab bin Haji Ibrahim (Resigned w.e.f 31 May 2022)	147	-	-	19	166
Ahmad Ruhaizad bin Hashim	146	-	-	19	165

*Emoluments & Benefits include variable allowances, EPF, SOCSO and EIS contributions.

Board Training and Knowledge Acquisition

The Board is mindful of the importance for its members to undergo continuous training. The BNRC continues to evaluate and determine the training needs of the Directors to ensure continuous training and education for them to enhance their business acumen and professionalism in discharging their duties to the Group.

In addition, the Company Secretaries also receive regular updates on training programs from various organizations including the regulators. These updates are circulated to the Directors for their consideration. The Company Secretaries will make the necessary arrangements for the Directors to attend the training.

The external auditors also continuously brief the Board on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

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In the quest for continuous learning and acquisition of relevant skills and knowledge to enhance their business expertise and professionalism, the Directors attended the following seminars, conferences and training programmes in the FPE2022:-

Courses/Training	Attended by
Value Creative Struggles: An Innovative Take on Creating Impactful, Healthy Companies Awareness & Compliance Training on Malaysia's Anti-Corruption Law - Implementation	DAW
Mandatory Accreditation Program – Asia School of Business ASB Awareness & Compliance Training on Malaysia's Anti-Corruption Law Briefing & Training on the Company's Anti-Bribery Framework & Policies	ARH
Awareness & Compliance Training on Malaysia's Anti-Corruption Law - Implementation	DAA
Ikmal Presidential Lecture 2020 (Reschedule) - Iktisas Kelautan Malaysia Awareness & Compliance Training on Malaysia's Anti-Corruption Law Briefing & Training on the Company's Anti-Bribery Framework & Policies	SS
Ikmal Presidential Lecture 2020 (Reschedule) - Iktisas Kelautan Malaysia Awareness & Compliance Training on Malaysia's Anti-Corruption Law - Implementation	AHK

- FN - Puan Fina Norhizah binti Haji Baharu Zaman
- DAA - Datuk Azmi bin Ahmad
- SR - Encik Shaharuddin bin Warno @ Rahmad (resigned w.e.f. 5 February 2022)
- AHK - Encik Ahmad Hassanudin bin Ahmad Kamaluddin
- DAW - Dato' Haji Ab Wahab bin Haji Ibrahim (resigned w.e.f. 31 May 2022)
- SS - Encik Shamsul bin Saad
- ARH - Encik Ahmad Ruhaizad bin Hashim

The Directors will continuously undergo other relevant training programmes and essential practices to further enhance their skills and knowledge where relevant to enable the Directors to participate in deliberations and effectively discharge their duties.

Code of Ethics

The Group is committed to upholding the highest standards of ethical conduct, integrity and accountability in all business activities and operations. The Directors and employees of Alam Maritim are expected to behave ethically and professionally at all times and to protect the reputation of the Company. The conduct of employees is governed by the Code of Ethics of employees which provides clear direction on the conduct of business, dealing with stakeholders, and general workplace behaviours. It includes guidance on the disclosure of conflicts of interest, and practices regarding gifts and entertainment, amongst others. The Code of Ethics is published on the Company's website.

Whistle Blowing Policy

The Whistleblowing Policy of the Group was established to provide employees and third parties with proper avenues and procedures to disclose cases of improper conduct such as criminal offenses, fraud, corruption, breach of the policies and Code of Conduct or other malpractices. An early warning system such as a whistleblowing policy and procedure can assist the Group to detect wrongdoings and alert the Group to take corrective actions before a problem becomes a crisis.

In order to achieve these standards, all employees and stakeholders (i.e. shareholders/ suppliers/customers) are encouraged to report genuine concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

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For this purpose, a whistleblowing hotline has been established whereby any concern in respect of Senior Management should be reported to the Chairman of BAC, copied to the GCEO of the Group using the Whistle Blowing Form. Any concern in respect of other general staff should be reported to the Head of the Group Human Resource Department.

All reports will be investigated promptly and the progress of the investigation will be reported to the BAC at the next scheduled meeting. The identity of the whistleblower is also safeguarded at all times. Upon completion of the investigation, the appropriate course of action will be recommended to the BAC for their deliberation. The decision taken by the BAC will be implemented immediately. Where possible, steps will also be implemented to prevent a similar situation from arising.

Anti-Corruption Policy

The Board has implemented the Company's Anti-Bribery and Corruption Policy ("ABAC") which is effective from 24 June 2020 in compliance to Section 17A of the MACC Acts 2009.

Directorship in Other Companies

In compliance with the Listing Requirements, none of the Board members of AMRB serve in more than five (5) listed companies. This enables the Directors to focus, and devote sufficient time to discharging their duties and responsibilities effectively. Save and except for Encik Shamsul bin Saad, the NIEDs of AMRB also do not serve as directors on other listed companies.

Embracing the Corporate Governance Culture

The Board recognizes that upholding high standards of corporate ethics is key to long-term value creation and contributes directly to improved business performance. The Management leads forums and engagements throughout the financial year to highlight our values, beliefs, business integrity and approach to health and safety.

B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. BAC

The BAC comprises exclusively of INEDs with at least three (3) members and is chaired by an INED. However, one (1) of BAC members has tendered his resignation during FPE2022. Currently, there are two (2) members and AMRB has applied for another three (3) months extensions from Bursa to replace with a suitable candidate before 30 November 2022. At least one (1) of the BAC members is a member of the Malaysian Institute of Accountants (MIA) thus fulfilling the requirement of the MMLR of Bursa Malaysia.

The BAC members are equipped with vast experience from various industries and are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audits and the state of the Group's risk and internal control environment.

Assessment of External Auditors

The BAC performs an annual assessment of the processes and performance of the external auditors and had during the year assessed the quality of audit encompassing the performance of the External Auditors, the quality processes/performance of the engagement team, audit team independence, objectivity and professionalism, audit scope and planning, audit fees, audit communication and interaction. The external auditors have provided their written assurance to the Group in respect of their independence for FPE2022. Based on these assessments, the BAC recommends the reappointment of external auditors at the forthcoming AGM.

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The Board, through the BAC, maintains a formal and transparent relationship with the External Auditors. The BAC had convened two (2) meetings with the External Auditors without the presence of Executive Directors and officers to discuss the audit findings for FPE2022.

The Board's obligation to establish formal and transparent arrangements in considering how it should apply financial reporting and internal controls, and maintaining an appropriate relationship with the Group's external auditors is met through the BAC.

An assessment of the objectivity, independence and quality of service delivery of the Group's external auditors for the FPE2022 audit, was conducted in early June 2022, facilitated by the Internal Audit Department and no major gaps have been identified.

In respect of fees, the details of the statutory audit and non-audit fees incurred for FPE2022 are set out under Note in the Financial Statements of this Annual Report. To ensure full disclosure of matters, the external auditors are regularly invited to attend BAC meetings as well as general meetings of the Company.

The Board is also assisted by the BAC in overseeing the financial reporting process and the quality of the Group's financial statements. This is to ensure that the Board dispenses its fiduciary responsibility to present to the shareholders and the stakeholders, a clear and meaningful evaluation of the Group's financial position financial performance and prospects. Based on the BAC's recommendations, the Board also ensures that the Group's financial statements prepared for each financial year set out a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016.

The Statement on Directors' Responsibility in respect of the preparation of the audited financial statements of the Group is set out in the Financial Statements books of this Annual Report.

Internal Audit Function

The Internal Audit function is established by the Board to undertake an independent review and assessment of the adequacy, efficiency and effectiveness of risk management, control, and governance processes implemented by the Management. The Group Internal Audit reports functionally to the BAC and administratively to the GMD/GCEO.

The Internal Audit function is independent of the activities and operations of other operating units in the Group and has unrestricted access to the BAC and on a quarterly basis, the Head of Internal Audit is invited to attend BAC meetings to facilitate the deliberation of Internal Audit reports. The BAC also reviews the Group Internal Audit's recommendations and management responses to these recommendations to ensure any lapses/deficiencies identified are being dealt with adequately and promptly.

The compositions, summary of activities of the BAC relating to the FPE2022 are highlighted on page 104 of this Annual Report.

2. Risk Management and Internal Controls

The Board takes cognizance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. The Board has established a governance structure to ensure effective oversight of risks and controls in the Group. Key and potential risks identified, together with the mitigation action plans are reported to the BRMC, BAC and the Board for their attention and deliberation. The BRMC assesses and monitors the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the BAC through the work performed as internal audit function for the Group.

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Management is responsible for implementing Board approved policy on risk management through Group Risk Management Working Group Committee ("GRMWC") by identifying, evaluating and monitoring risks that affect the achievement of business objectives within approved risk appetite levels. The Group's corporate and operational risks are deliberated on a quarterly basis by BRMC and the mitigation status of top risks is effectively reviewed.

The effectiveness of risk management and internal control is continuously reviewed to ensure that they are working adequately and effectively. The BAC regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports prepared by the Group's Internal Audit Department.

The Statement on Risk Management and Internal Control set out on pages 110 to 114 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

C: INTEGRITY IN CORPORATE REPORTING AND EFFECTIVE STAKEHOLDERS COMMUNICATION

Communication with Stakeholders

The Group recognizes the importance of an effective communication channel with stakeholders, institutional investors and the investing public at large to provide a clear picture of the Group's performance. The Board acknowledges the significance of communicating with its shareholders through Annual Reports, AGM and the AMRB's website.

This annual report contains invaluable information on the Group for the shareholders and investors specifically and the public in general. As a key channel of communication between the Group and its stakeholders, it contains a report and disclosures on the Group's directions, key activities and financial performance, the contents of which are continuously enhanced to take into account the developments amongst others, in corporate governance.

As part of the Group's commitment to maintain effective and open two-way communication with shareholders and investors, the Group Chief Financial Officer ("GCFO") is directly involved in the Company's investor relations activities, whose details are as follows:-

Name	:	Md Nasir bin Noh
Designation	:	Group Chief Financial Officer
Email	:	mdnasir@alam-maritim.com.my

The intranet and web portal are also being used in the Group as platforms to connect the employees and management, automate and increase efficiency in certain administrative processes and facilitate remote communication with staff who work offshore and in foreign waters.

Whilst the Group endeavors to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

General Meetings

As an annual event of the Group, the general meeting serves as a principal platform for direct two-way interaction between the Board/Senior Management and the shareholders. This enables effective shareholders' communication on the Group's performance, corporate and business developments and any other matters affecting shareholders' interests. Recognizing the significance of the AGM as the primary forum for the Group's shareholders to engage with all members of the Board on a face-to-face basis, all members of the Board are committed to attending the same.

The Notice of the AGM and related circular is sent out to shareholders at least 21 or 28 days (whichever is applicable) before the meeting as required under the MMLR of Bursa Malaysia, in order to facilitate full understanding and evaluation of the issues

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involved and to provide the shareholders sufficient time to consider the proposed resolutions that will be tabled and decided at the AGM and make the necessary arrangements to attend and participate in person or through the appointment of corporate representatives or proxies.

During the AGM, the GCEO or GCFO presents a review on the Group's performance which is supported by a visual and graphic presentation of the key points and financial figures.

The Board recognizes two-way communication with its shareholders at general meetings and allocates time and welcomes questions and feedback regarding directions, operations, financials and proposed resolutions from the shareholders at the general meeting. An open platform is made available for shareholders to raise questions relevant to the AGM agenda and appropriate responses and clarification are promptly provided by the Board to the shareholders. Questions raised by the Minority Shareholders Watchdog Group ("MSWG") (if any) are also addressed and shared with all shareholders during the AGM.

In the past, about 80% of the shareholders of AMRB appointed proxies to attend and vote on their behalf at general meetings.

On 29 June 2021, the 16th AGM of the Company was conducted entirely via remote participation and electronic voting. Proceedings of the AGM were broadcasted to approximately 94 and 55 shareholders and proxies respectively that had registered and logged in to a designated online meeting application.

The voting results for each resolution are also immediately announced to the shareholders in the meeting at the end of the voting process. Minutes of the AGM/EGM including significant matters discussed at the meetings are also disclosed on the Company's corporate website.

In accordance with the relevant provisions of the Constitution, shareholders who are eligible to vote at general meetings but are unable to attend the same in person, may appoint proxies to vote on their behalf. AMRB has also introduced electronic voting (e-voting) facilities and will continue to make available such facilities in future meetings, to ensure that the mandatory poll voting process at all general meetings is carried out efficiently.

Constitution of the Company

The Constitution of AMRB was adopted in 2019 in place of its Memorandum and Articles of Association pursuant to the approval of the shareholders at the 15th AGM held on 18 August 2020. The Constitution regulates the manner in which the Company is governed.

D. KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board has identified debt restructuring and transformation program on OSV, Subsea and OIC Segments as key focus areas for the Group for the future and will provide the appropriate guidance and oversight to the senior management team as they work towards developing a more robust sustainability agenda for the Group.

The Board will continue to refine its corporate governance practices and procedures throughout the Group to smoothen the integration of work processes and practices and to ensure all the existing and new businesses of the Group are operating in an orderly manner and in the best interests of all stakeholders.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

(Pursuant to paragraph 15.26(a) of the MMLR of Bursa Malaysia)

The Board has given its assurance that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards for each financial year which gives a true and fair view of the state of affairs of the Group in a transparent manner at the end of the financial year and of the results and cash flows for the financial year.

The Directors' Report for the audited financial statements of the Group is outlined in this Annual Report together with the details of the Company and the Group financial statements for the financial period ended 30 June 2022 which are set out in this Annual Report.

COMPLIANCE STATEMENT

Save as disclosed above, the Board is satisfied that to the best of its knowledge, the Group has applied the principles and recommendations of the corporate governance set out in the MCCG as well as the relevant paragraphs under the MMLR of Bursa Malaysia for the financial year under review, where necessary and appropriate. Any practices in the MCCG which have not been implemented during the financial year will be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This Statement has been presented and approved by the Board at its meeting held on 28 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

- IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

Employee Share Option ("ESOS")

AMRB's ESOS was approved by the shareholders at the Company's Extraordinary General Meeting held on 2 June 2018. As at 30 June 2022, no changes in ESOS options over 110,410,742 ordinary shares were granted to the employees of the Group (including the Executive Directors) and there as follows:-

Category of employees	No of ESOS options granted as at 30 June 2022	% granted as at 30 June 2022 available *	No of ESOS options exercised	No of ESOS options outstanding
Executive Directors	41,600,742	30%	-	41,600,742
Senior Management	21,200,000	15%	-	21,200,000
Other Employees	47,610,000	34%	-	47,610,000
TOTAL	110,410,742		-	110,410,742

The aggregate maximum allocation of the ESOS options applicable to the Directors and senior management is 50% and actual granted to the Directors and senior management since the announcement of the ESOS is 45%.

AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by the Group and for the FPE2022 is set out in the Financial Statements book of the Annual Report 2021-22.

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MATERIAL CONTRACTS

There were no material contracts entered into by AMRB and/or its subsidiaries involving the interest of the Directors and major shareholders, either still subsisting at the end of the FPE2022 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Fund Raising Exercises

During the FPE2022, the Group undertook private placements as part of its fundraising exercises. The proceeds raised from these fundraising exercises are used for working capital, vessel maintenance/ dry docking, general banking and other corporate purposes, where applicable.

Details of these fundraising exercises are disclosed in Notes in respectively of the Financial Statements book of the Annual Report 2021-22.