

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5115
COMPANY NAME : ALAM MARITIM RESOURCES BERHAD
FINANCIAL YEAR : JUNE 30, 2023

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.

Application	: Applied Choose an item.
Explanation on application of the practice	<p>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.</p> <p>The Board assumes the following core responsibilities which serve as guiding principles:-</p> <ul style="list-style-type: none"> • Review and Adopt a Strategic Direction of the Company <p>The Board reviews and approves the proposed strategies and the annual budget for the ensuing year and sets the targets and action plans for the Company which will be tabled and deliberated by the Board on a quarterly basis. A periodic monitoring and reporting system is in place which highlights significant variances of key performance indicators against actual and budget to monitor the Company's performance.</p> <ul style="list-style-type: none"> • Identify and Manage Principal Risks <p>The Group Risk Management Working Committee ("GRMWC") monitors any risk that the business of the Group as a whole might face. The Board Risk Management Committee ("BRMC") is updated on any risk issue that could jeopardise the business, including corporate compliance matters. The Board, through the BRMC, ensures appropriate management of risks and constantly monitors the review and management of operational risks by evaluating the Group's Top 5 corporate risk appetite and tolerance levels. This ensures the Company's business sustainability.</p> <p>Based on the results of the Directors and Board Committee Performance Evaluation ("DBCPE") for the financial period ended</p>

to 30 June 2023 (“FY2022-23”), the Board recognizes the need for a strong risk management discipline across the Company to ensure risks are effectively measured and mitigated.

Details on the Company’s risk framework are set out in the Statement on Risk Management and Internal Control as well as the Risk Management Report of the Company’s Annual Report.

- **Monitor Succession Planning**

The Board Nomination and Remuneration Committee (“BNRC”) is entrusted by the Board to ensure effective human capital development, talent retention and succession planning for both the Directors and key management positions in the Company to ensure business continuity.

BNRC also monitors the performance of the Board, reviews and evaluates the suitability of potential candidates and their experience, to fill any gaps therein.

The succession planning is to ensure all candidates appointed to senior management positions are of sufficient caliber. The Board had adopted a Succession Development Plan to ensure that there are platforms in place to provide for the orderly succession of senior management.

Based on the results of FY2022-23 DBCPE, the Board agreed that succession planning of the Board and Pivotal position is crucial moving forward. The Board concurred to give more focus on the matter, and the BNRC is to deliberate on it accordingly.

- **Review the Adequacy and Integrity of the Company’s Internal Control Systems**

The Board is ultimately responsible for the adequacy of the Company’s internal control system. Internal control systems throughout the Company are managed by the Group Internal Audit Department (“IAD”). IAD has jurisdiction to audit any division or subsidiary of Alam Maritim and to report its findings directly to members of the Board Audit Committee (“BAC”). Significant findings from the audit reports were highlighted and deliberated at the BAC meeting. Details of the Company’s internal control system and the review of its effectiveness are respectively set out in the Statement on Risk Management and Internal Control and Risk Management Report of the Company’s Annual Report.

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.

	All deliberations and decisions taken by the Board Committees are documented and approved by the respective Committees. The ultimate responsibility for the final decision however lies with the Board.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>As the Chairman, Puan Fina Norhizah binti Haji Baharu Zaman, is primarily responsible for ensuring the integrity and effectiveness of the Board's governance process and acts as a facilitator and consults the Board promptly over any matter that gives her cause for concern. The Chairman of the Board is responsible for representing the Board to the shareholders. The Chairman acts as a facilitator at Board meetings to ensure there is no Board member, whether executive or non- executive, who dominates the discussion. The Chairman also ensures that appropriate discussions and relevant opinions among Board members are forthcoming. The Chairman further ensures that discussions result in logical and understandable outcomes, which will lead to appropriate and considered decisions by the Board.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly stated in Paragraph 22 of the Board Charter, which is available on the Company's website at https://www.alam-maritim.com.my/investor/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The distinct and separate roles and responsibilities of the Chairman and CEO are provided in paragraph 21 of the Board Charter, which is available on the Company's website at https://www.alam-maritim.com.my/investor/.</p> <p>There is a clear separation of roles between the Chairman of the Board and the Group Managing Director/Group Chief Executive Officer ("GMD/GCEO") to bring about an effective check and balance mechanism.</p> <p>The Chairman of the Company, Puan Fina Norhizah binti Haji Baharu Zaman, is primarily responsible for ensuring the integrity and effectiveness of the Board's governance process and acts as a facilitator and consults the Board promptly over any matter that gives her cause for concern. The Chairman of the Board is responsible for representing the Board to the shareholders. The Chairman acts as a facilitator at Board meetings to ensure that no Board member, whether executive or non-executive, dominates the discussion. The Chairman further ensures that discussions result in logical and understandable outcomes, which will lead to appropriate and considered decisions by the Board.</p> <p>The Group CEO, Datuk Azmi bin Ahmad 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

<p><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></p>	
<p>Application :</p>	<p>DepartureChoose an item.</p>
<p>Explanation on application of the practice :</p>	
<p>Explanation for departure :</p>	<p>Limited numbers of Independent Non – Executive 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>	
<p>Measure :</p>	
<p>Timeframe :</p>	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	The Company Secretary, Puan Nur Aznita binti Taip is qualified to act as Company Secretary under section 235 (2) of the Companies Act 2016. Puan Nur Aznita binti Taip has a law degree from Universiti Kebangsaan Malaysia and holds a Master in Business Administration (Corporate Governance). She is also a member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA 7067607). Puan Nur Aznita is qualified to act as a company secretary under Section 241 of the Companies Act 2016.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Board is supplied with information in a timely manner and of appropriate quality to enable the Board to discharge its duties with regard to issues to be discussed.</p> <p>To ensure the effective functioning of the Board, the Directors are given access to information through the following means:-</p> <ul style="list-style-type: none"> • Management may be invited to the Board and Board Committee meetings to report or present areas within their responsibilities to ensure the Board is able to effectively discharge its responsibilities. • Board and Board Committee papers are circulated to Directors and Board Committee members at least three (3) business days prior to the respective Board and Board Committee meetings, to enable the Board and Board Committee members in order to facilitate informed and rigorous Board or Board Committee discussions <p>The Company Secretary ensure that all Board and Committee meetings are properly convened and all deliberations and decisions made at the meetings are properly minuted and kept.</p> <p>The minutes of meetings of the Board and Board Committees will be circulated to the Board Committee members and other members of the</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>Since its adoption, Alam Maritim’s Board Charter (“Board Charter”) serves as a guide for good corporate governance within the Group. The Board Charter provides a reference for the Directors in relation to the Board’s role, powers, duties and functions and is set out not only in accordance with applicable rules and regulations but also guided by the Malaysian Code of Corporate Governance and best practices.</p> <p>The Board Charter aims to ensure that Board members are aware of their roles and responsibilities and serves as a clear reference source to all stakeholders. The Board Charter covers inter-alia, the objectives of the Board, duties and responsibilities, powers, roles of the Chairman, CEO and Non-Independent Executive Directors (“NIED”) and Independent Non-Executive Directors as well as the Board Committees namely, BAC, BNRC and BRMC. It will be reviewed from time to time to ensure that it remains relevant and consistent with the current rules and regulations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>Alam Maritim 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 disclosure of conflict of interests, practices regarding gifts and entertainment, amongst others. The Code of Ethics is published on the Company's website.</p> <p>Anti-Corruption Policy</p> <p>The Board has approved the Company's Anti-Bribery and Corruption Policy ("ABAC") effective 24 June 2020 in compliance with Section 17A of the MACC Acts 2009. The ABAC Policy and its implementation is effective from 24 June 2020.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>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 Group policies and Code of Conduct or other malpractices. An early warning system such as 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.</p> <p>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.</p> <p>For this purpose, a whistleblowing hotline has been established whereby any concern in respect of Key Management/Senior Management should be reported to the Chairman of the Board Audit Committee, copied to GCEO of the Company using the Company's Whistle Blowing Form. Any concern in respect of other general staff should be reported to the Head of the Group Human Resource Department.</p> <p>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 whistle-blower 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure :		
Timeframe :		

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.

Application	: Applied Choose an item.
Explanation on application of the practice	<p>AMRB recognises the importance of addressing identified key material matters that affect our sustainability agenda and will continue to address the concerns and issues in collaboration with our stakeholders. It will propose and formulate the right policies that can help improve our overall sustainability, whilst at the same time keeping abreast with international and domestic standards in terms of our value and supply chain, which will greatly benefit the Group in the long term and which we have always strived to achieve.</p> <p>Our sustainability goals and practices will be consistently reported so that all stakeholders and business segments involved will understand what we are trying to achieve in terms of sustainability and be aware if any significant changes are made involving sustainability or material matters for the Group.</p> <p>A vital or key consideration that addresses matters that are most material to our business operation is our ability to address Quality, Health, Safety, Security and Environment ("QHSSE") sustainability over time. QHSSE is one of our identified material matters which will give a good reflection on the way we manage our overall development to achieve sustainability and handle material matters.</p> <p>AMRB has also remained focused on integrating sustainable practices into aspects that deal with the environment, which is reflected by our long term target of achieving net zero carbon emission, our broader economy thrusts of operational excellence, commercial excellence and growth delivery and social issues that are reflected through our efforts in managing employee well-being and pursuing social responsibility initiatives through various corporate CSRs throughout FY2022-23. These four sustainable pillars of Economic, Environment, Social and, of equal, if not more, importance, Governance ("EESG"), will be our focussed areas as we mapped out our sustainability agenda. Through this integration, AMRB has experienced significant benefits that involve our ability to:</p> <ul style="list-style-type: none">• Enhance our Risk Management Framework and its implementations• Promoting innovation and technology with strategic alliances.• Attract new and potential customers to increase order book value.• Maintain our license to operate with clients through our strong track records and capabilities• Respond to responsible investment and better capital security• Improve our productivity and optimising our operational cost• Maintaining clients and customers loyalty

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

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	AMRB sustainability strategies, priorities and targets as well as performance towards these targets are communicated to its internal and external stakeholders via: <ul style="list-style-type: none"> • Annual Report • Corporate Website • Trainings 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Group’s Sustainability governance structure has well established roles and responsibilities that oversee and drive the Group’s sustainability agenda, outline relevant Sustainability Strategy goals as well as review the Group’s Sustainability performance for future enhancements.</p> <p>Sustainability at AMRB is governed by our QHSSE Executive Director who directs the Group’s overall Sustainability Strategy and is responsible for EESG related risks, opportunities, goals and measures.</p> <p>The Group’s Board is responsible for having oversight in matters pertaining to business and risk strategy, organisational structure, financial viability along with regulatory compliance across the value chain and EESG implementation. By doing so, sustainable practices are able to be implemented and integrated into our practices more efficiently with our stakeholders wishes also being addressed.</p> <p>Supporting a cross-functional approach, our structure encompasses the Group Risk Management Working Committee (“GRMWC”), the Executive Committee (“EXCO”) and HSSE Steering Committee with Management Review Meetings (“MRM”) to review and discuss performance of the various Departments. Our Sustainability Governance is part of the larger Corporate Governance and Risk Management Framework (“CGRMF”) that was approved by the Board. The CGRMF defines the Group’s roles, responsibilities, overall structure and functional accountability.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Board conducts an evaluation of its members and the Board Committees on an annual basis. For FY2022-23, 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.</p> <p>A separate independence assessment was carried out by the BNRC by way of the Director’s self-assessment in order to ensure that Independent Directors are able to continue to bring independent and objective judgment to the Board.</p> <p>Overall, the results of FY2022-23 BEE indicate healthy Boardroom dynamics with good working relationships among the Board members. Based on the BEE results, the Board will continue to focus on the following to maintain the Company’s competitiveness:</p> <ul style="list-style-type: none"> • expedite plan towards talent scouting and succession planning; • management of key risks; • management of human capital; • performance of key business units, and; • strategic planning.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

<i>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.</i>	
Application	: Applied Choose an item.
Explanation on adoption of the practice	: The QHSSE Executive Director, who oversees the Group's overall Sustainability Strategy and is in charge of EESG related risks, opportunities, targets, and measures, oversees sustainability at AMRB. The board has designated Head of Quality, Head of HSSE and Risk Management to provide dedicated focus on managing sustainability strategically, including the integration of sustainability considerations into the operations of AMRB's business.

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity. The Board has always been in support of non-discrimination in their selection of Directors and in the process of recruitment.</p> <p>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.</p> <p>For new appointments of INED, the assessment on the independence of the proposed Director, which is carried out prior to the appointment, is ascertained in accordance with the criteria set out in the MMLR of Bursa Malaysia and MCCG.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>During the financial period ended 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. To date, all INEDs satisfy the following independence criteria:-</p> <ul style="list-style-type: none">• 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 Company;• not involved in the day-to-day operations of the Company 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. <p>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 Company and safeguard the stakeholders' interests.</p> <p>Apart from the above criteria, the independence of the INEDs is assessed annually through Board Effectiveness Evaluation ("BEE") Survey. This exercise involves questionnaires that cover principles, perspectives and personal insights of the respective directors and are completed by all INEDs on themselves and on their peers. For the FY2022-23, 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 Company. The BNRC will continue, on an annual basis, to assess the independence of INEDs.</p>
Explanation for departure	:	

Intended Outcome

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

Practice 5.2

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

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.

Application	: Applied Choose an item.
Explanation on application of the practice	<p>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.</p> <p>Notwithstanding this, the Board has taken note on the MCGG 2021'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 a Non-Independent Non-Executive Director. 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 a general meeting.</p> <p>In justifying the decision, the BNRC is entrusted to assess the candidate's suitability to continue as an INED based on the criteria on independence.</p> <p>At the forthcoming 18th Annual General Meeting ("AGM"), the Company will seek its shareholders' mandate to retain Puan Fina Norhizah Binti Haji Baharu Zaman as an INED of the Company. She has served the Company as an INED since 22 October 2010, for a cumulative twelve (12) years respectively.</p> <p>The BNRC has made the necessary assessment and recommended to the Board of Directors that Puan Fina Norhizah be retained as Independent Director of the Company based on his ability to maintain his independence of judgment and to express and maintain unbiased views without any influence.</p> <p>INED seeking retention has abstained from all deliberations regarding his retention.</p>

Intended Outcome

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

Practice 5.3

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

<i>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.</i>	
Application	: Applied Choose an item.
Explanation on adoption of the practice	: The Board has adopted the policy which limits the tenure of its Independent Directors to nine (9) years in its Board Charter. However, the retention of the Independent Director after serving a cumulative term of nine (9) years, shall be subject to annual shareholders' approval in line with the recommendation of the Malaysian Code on Corporate Governance.

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity. The Board has always been in support of non-discrimination in their selection of Directors and in the process of recruitment.</p> <p>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.</p> <p>For new appointments of INED, the assessment on the independence of the proposed Director, which is carried out prior to the appointment, is ascertained in accordance with the criteria set out in the MMLR of Bursa Malaysia and MCGG.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>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 Company, enabling the recruitment of new director(s).</p> <p>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.</p> <p>For new appointments of INED, the assessment on the independence of the proposed Director, which is carried out prior to the appointment, is ascertained in accordance with the criteria set out in the MMLR of Bursa Securities and MCCG 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	Shareholders receive timely updates on the Board's decisions regarding the appointment of directors through announcement to Bursa Securities. The information of the directors such as their personal profile, record of attendance of meetings and the shareholdings of each Director (where applicable) are disclosed in the Integrated Annual Report FY 2022-23 to assist the shareholders in their decision on appointment and/or reappointment of a director. The BNRC ensured that the appointment/reappointment complied with the criteria required by the Main Market Listing Requirements of Bursa Securities. Based on the BNRC's recommendation, the Board supports the reappointment of Directors, subject to approval by the shareholders at the annual general meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	The Company has a combined Nomination Committee and Remuneration Committee for the purpose of expediency as the same members are entrusted with the functions of both the Nomination and Remuneration Committees. The Board Nomination and Remuneration (“BNRC”) is made up exclusively of Independent Non-Executive Directors and is currently chaired by Puan Fina Norhizah binti Haji Baharu Zaman.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Board is committed in ensuring that its composition reflects the diversity in line with the gender diversity agenda as recommended by the MCGG 2021. 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 presence of Puan Fina Norhizah binti Haji Baharu Zaman on the Board since the year 2010, sends the message that gender diversity is welcomed and appreciated by the Board.</p> <p>The Board makes sure that each member has the necessary knowledge, expertise, and time commitment to increase the Board's effectiveness. In order for the Board, Board Committee, and Senior Management team to effectively carry out their duties, the Board believes that the selection of directors shouldn't be based on any preferences or discrimination against one gender over another.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	Despite being in an industry that is predominantly occupied by men due to the intense physical labour and hazards involved, AMRB has sought out gender diversity throughout the organisation from members of the Board to management and even the general workforce. Our non-discriminatory and inclusive talent management approach can be seen through our Board and Top Management where we have maintained a 30% female inclusion within these positions. Furthermore, since 2010, AMRB's Chairperson of the Board has been a woman, making the Group of the select few, public listed companies in Malaysia who have a woman Chairperson of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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>	
Application	: Applied Choose an item.
Explanation on application of the practice	: <p>The Board conducts an evaluation of its members and the Board Committees on an annual basis. For FY2022-23, 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.</p> <p>A separate independence assessment was carried out by the BNRC by way of the Director’s self-assessment in order to ensure that Independent Directors are able to continue to bring independent and objective judgment to the Board.</p> <p>Overall, the results of FY2022-23 BEE indicate healthy Boardroom dynamics with good working relationships among the Board members. Based on the BEE results, the Board will continue to focus on the following to maintain the Company’s competitiveness:</p> <ul style="list-style-type: none"> • expedite plan towards talent scouting and succession planning; • management of key risks; • management of human capital; • performance of key business units, and; • strategic planning; and • Material sustainability risks & opportunities
Explanation for departure	:

Intended Outcome

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

Practice 6.1

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>In line with MCCG, the remuneration of Directors is determined at levels that enable the Company to attract and retain Directors with the relevant experience and expertise to manage the Group effectively. In the Company, the determination of 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.</p> <p>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 capitalization.</p> <p>All Directors, executive and non-executive, are abstained from deliberations and voting on decisions in respect of their individual remuneration.</p> <p>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 INEDs 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 in accordance with 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 the Company's Constitution.</p>

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

<p>Explanation for departure</p>	<p>: The remuneration of the NIEDs is structured to align with the business strategy and long-term objectives of the Company 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 Company and guided by the Company’s affordability, approved remuneration and reward matrix and comparison against the current market practice in the same industry.</p> <p>The directors’ remuneration which includes the executive directors who are also top senior management for FY2022-23 is stated in the Statement of Corporate Governance published in the Company’s Annual Report 2022-23, which is available on the Company’s website https://www.alam-maritim.com.my/investor/ .</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>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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.

Application	: Applied Choose an item.
Explanation on application of the practice	<p>The Company has a combined Nomination Committee and Remuneration Committee for the purpose of expediency as the same members are entrusted with the functions for both the Nomination and Remuneration Committees. The BNRCs made up exclusively of INED.</p> <p>The key functions of BNRC among others, are as follows:-</p> <ul style="list-style-type: none"> • to identify and recommend new nominees of the Board and recommend the compensation packages for these appointments; • to assist the Board in reviewing the required mix of skills, experience and other qualities, including the competencies that the non-executive directors should bring to the Board; • to review, assess, determine and recommend the level and make-up of the overall remuneration packages of the Executive Directors and Key Personnel; • to carry out a process to assess the effectiveness of the Board as a whole by assessing the contribution of each individual Director, including INED as well as the Chief Executive Officer and Chief Operating Officer; and • to document and report to the Board the result of the assessment for the Board's proper evaluation and identification of relevant action programmes. <p>The BNRC ensures that prospective candidate has the required set of personal qualities and competencies to carry out duties and responsibilities as a Director. The incumbent's professionalism, integrity, skills and expertise must be seen to contribute and complement the Board's existing strengths.</p>
Explanation for departure	:

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

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	The remuneration of individual directors on a named basis and the breakdown of their remuneration including Directors' fees, salary and bonus, emolument and benefits, and meeting allowance from the Company and the Group during FY2022-23 are disclosed in the Corporate Governance Overview Statement.

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	Fina Norhizah Binti Baharu Zaman	Applied	113,004.00	11,000.00	NIL	NIL	NIL	69,109.32	193,113.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Ahmad Ruhaizad Bin Hashim	Applied.	98,000.00	11,000.00	NIL	NIL	NIL	NIL	109,000.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Yap Shuh Jian	Applied	2,000.00	NIL	NIL	NIL	NIL	NIL	34,333.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Datuk Azmi Bin Ahmad	Applied	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	795,294.00	NIL	NIL	NIL	NIL
5	Ahmad Hasanuddin Bin Ahmad Kamaluddin	Applied	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	542,671.00	NIL	NIL	NIL	NIL

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	The Group had disclosed the directors' remuneration which includes the executive directors who are also top senior management for FY2022-23 in the Corporate Governance Overview Statement.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Not Adopted.
Explanation on adoption of the practice	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The BAC comprises exclusively INEDs and is chaired by an INED. Currently, there are two (2) BAC members which do not comply with Paragraphs 15.09(1) of the MMLR of Bursa Malaysia. Dato' Haji Ab Wahab bin Haji Ibrahim, who is the Chairman of the Audit Committee and INED has tendered his resignation with effect from 31 May 2022. The Company is in the process of identifying a new director for replacement. The Company has received the letter of approval for another three (3) months extensions from Bursa upon the expiry of reappointment.</p> <p>One (1) of the BAC members including the BAC Chairman is a member of the Malaysian Institute of Accountants (MIA) thus fulfilling the requirement of the MMLR of Bursa Malaysia.</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	The Company has always recognized the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of two (2) years. Hence, there is no such person being appointed as a member of the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The BAC is responsible: -</p> <ul style="list-style-type: none"> • To review the External Auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the External Auditors. The BAC will consider a consolidated opinion on the quality of external auditing at one of its meetings; • To review with the External Auditors the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report; • To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the External Auditors; • To review and evaluate factors related to the independence of the External Auditors and assist them in preserving their independence; • To be advised of significant use of the External Auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors is not deemed to be compromised; and • To review the External Auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on adoption of the practice	:	All the Board Audit Committee members are comprised solely of Independent Director.

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	<p>All members of the BAC are financially literate and are able to understand matters under the purview of the BAC including the financial reporting process to effectively discharge their duties.</p> <p>All members of the BAC have attended relevant training to assist in discharging their duties effectively and were also briefed by our external auditors of the latest accounting and audit standards applicable to the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Board takes cognisance 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 internal audit function for the Group.</p> <p>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 which affect the achievement of business objectives within approved risk appetite levels. Alam Maritim's corporate and operational risks are deliberated on a quarterly basis by BRMC and mitigation status of top risks is effectively reviewed.</p> <p>The effectiveness of risk management and internal controls 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 Internal Audit Department.</p> <p>An overview of the risk management and internal control within the Group can be found in the Statement of Risk Management and Internal Control as set out in the Annual Report 2022-23 of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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 Measure	:		
Timeframe	:		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Head of IARM reports directly to the Chairman of BAC on a functional basis. For office administrative purposes, the Head of IARM reports to the Group Managing Director/Group CEO. The purpose, authority and responsibility of Internal Audit as well as the nature of assurance and consulting activities provided to the Company and the Group is clearly articulated in the Internal Audit Charter that has been approved by the BAC.</p> <p>The Head, IARM has direct access to the Chairman of the BAC on all matters of control and audit. Any inappropriate restrictions on audit scope are to be reported to the BAC. The BAC approves the Group Internal Audit’s annual audit plan, financial budget and human resource requirements to ensure the function is adequately resourced by competent and proficient internal auditors.</p> <p>Throughout FY2022-23, there were three (3) audit resources within Internal Audit Department to undertake key audit areas within the Group.</p> <p>The internal audit personnel is free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on adoption of the practice	:	The Board has established a Risk Management Committee which comprises a majority of independent directors, to oversee the company's risk management framework and policies. The BRMC is chaired by an INED. 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 internal audit function for the Group.

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Internal Audit function is established by the Board to undertake an independent review and assessment on 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.</p> <p>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 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.</p> <p>The compositions, summary of activities of the BAC relating to the FY2022-23 are highlighted in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Head of IARM reports directly to the Chairman of BAC on a functional basis. For office administrative purposes, the Head of IARM reports to the Group Managing Director/Group CEO. The purpose, authority and responsibility of Internal Audit as well as the nature of assurance and consulting activities provided to the Company and the Group is clearly articulated in the Internal Audit Charter that has been approved by the BAC.</p> <p>The Head, IARM has direct access to the Chairman of the BAC on all matters of control and audit. Any inappropriate restrictions on audit scope are to be reported to the BAC. The BAC approves the Group Internal Audit’s annual audit plan, financial budget and human resource requirements to ensure the function is adequately resourced by competent and proficient internal auditors.</p> <p>Throughout FY2022-23, there were three (3) audit resources within Internal Audit Department to undertake key audit areas within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>The Company 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 Company's website.</p> <p>Alam Maritim's annual report contains invaluable information on the Company 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.</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	: Applied Choose an item.
Explanation on application of the practice	: The Company via its website, includes a corporate section that provides all relevant information on the Company, and it is accessible to the public. This Corporate section enhances the Investor Relations (“IR”) function by including all announcements made by Bursa Malaysia share price information annual reports and the corporate and governance structure of the Company. Notice of general meetings and minutes of general meetings are also made available on the Company’s website for the benefit of shareholders who are unable to attend these meetings. While the Company 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.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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.

Application	:	Applied Choose an item.	
Explanation on application of the practice	:	<p>The Board recognizes the significance of the AGM as a platform for dialogue and interaction with all the shareholders of the Company. The Company sends out the Notice of the AGM and related circular 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 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.</p> <p>In addition, the Notice of the AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>All Directors attended the Company's 17th Annual General Meeting. The Chairman of the Board Audit, Board Nomination Committee Remuneration Committee, Executive Committee and Risk Management Committee were present at the Annual General Meeting to provide a response if there any questions were addressed to them. The external auditors were also in attendance to respond to the shareholders' queries.</p> <p>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.</p> <p>On 14 December 2022, the 17th AGM of the Company was conducted entirely via remote participation and electronic voting and shareholders were invited to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting in advance and/or during the Meeting. Questions were answered at a Questions and Answers session, before putting a resolution to vote.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied Choose an item.
Explanation on application of the practice	:	<p>On 14 December 2022, the 17th AGM of the Company was conducted entirely via remote participation and electronic voting. Proceedings of the AGM were broadcasted to approximately 51 and 14 shareholders and proxies respectively that had registered and logged in to a designated online meeting application.</p> <p>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 including significant matters discussed at the meetings are also disclosed on the Company’s corporate website.</p> <p>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. The Company 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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>	
Application	: Applied Choose an item.
Explanation on application of the practice	: At the beginning of the AGM, shareholders and proxies were allowed to pose questions where the Chairman provided ample time for the Questions & Answer sessions. Shareholders were also encouraged to send questions relating to the AGM before the meeting to info@alam-maritim.com.my
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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>	
Application	: Applied Choose an item.
Explanation on application of the practice	: The 17 th AGM of the Company held on 14 December 2022 were conducted on fully virtual basis via online meeting platform. The Company provided the information of online meeting platform in the notice of 17 th AGM in accordance with Section 327 of the Companies Act 2016 and Clause 49 (E) of the Company’s Constitution. The Chairs of the Board Committees attended the 17 th AGM to provide meaningful responses to various questions addressed to them. The shareholders were allowed to submit questions for the Chairman/Board through a chat box embedded within the online meeting platform.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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>	
Application	: Applied Choose an item.
Explanation on application of the practice	: Minutes of 17 th AGM held on 14 Dec 2022 including the Question and Answer session posed by the shareholders are made available on the corporate website within 30 business days of the 17 th AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
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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