



ALAM MARITIM RESOURCES BERHAD

Registration No. 200501018734(700849-K)

BOARD CHARTER

Approved on 16 May 2014
Revision 01 : 25 May 2021

BOARD CHARTER

DEFINITION AND INTERPRETATION:-

- I. In this Board Charter, where the context so admits the following expressions shall have the following meanings:-

"Act"	The Companies Act, 2016 ("the Act") as amended from time to time and any reenactment thereof
"AGM"	Annual General Meeting
"The Company"	Alam Maritim Resources Berhad
"Board"	Board of Directors of Alam Maritim Resources Berhad
"Bursa Securities"	Bursa Malaysia Securities Berhad
"Chairman"	Chairman of the Board
"Constitution"	The Constitution of the Company as amended from time to time altered by special resolution
"Company Secretary"	Any person or persons appointed to perform the duties of a secretary of the Company and (subject to the provisions of the Act) includes an Assistant, Deputy, or Joint Secretary, and any person appointed by the Board to perform any of the duties of the Secretary
"Charter"	Board of Directors' Charter
"CMSA"	Capital Market and Services Act 2007 as amended from time to time and any re-enactment thereof
"Directors"	the Directors for the time being of the Company and unless otherwise stated, include their duly appointed alternates.
"Executive Director"	Executive Director of Alam Maritim Resources Berhad
"FLOA"	Financial Limit of Authority of Alam Maritim Resources Berhad and its subsidiary companies including any amendments that may be made from time to time
"Listing Requirements"	Main Market Listing Requirements of Bursa Securities as amended from time to time
"the Group"	Alam Maritim Resources Berhad and its subsidiary companies
"Independent Director/Independent Non-Executive Director"	A Director who does not participate in the management of the Company and who satisfies the criteria for "independence" set out under Chapter 1 of Main Market Listing Requirements of Bursa Securities
"Management"	Senior Management Members of Alam Maritim

	Resources Berhad
"MCCG"	Malaysian Code on Corporate Governance including any amendments that may be made from time to time

- II. In this Charter, unless the context otherwise requires, words importing the masculine gender shall include the feminine, neuter genders and vice versa; and
- III. Words importing the singular shall include the plural and vice versa.

1.0 INTRODUCTION AND OBJECTIVE

The Company is a public listed company incorporated under the Companies Act 1965 on 23 June 2005 as a company limited by shares and listed in Main Market of Bursa Securities since 20 June 2006.

The Vision, Mission and Shared Values of the Company are as follows:-

Vision

To be the preferred offshore services partner in oil and gas industry.

Mission

We provide quality services to the offshore oil and gas industry with emphasis on:-

- Promoting health, safety environment and security practices.
- Developing human capital capabilities.
- Delivering operational excellence.
- Practicing good corporate governance.
- Maximising stakeholders' value.

Shared Values

- TRUST

Always delivers the promise and commitment no matter to whom it is made.

- TACT

Ability to use skills and wisdom in dealing with different people and situations successfully without causing offence.

- TEAMWORK

Work closely and effectively together for common purposes. Collections of strong individuals with difference backgrounds but have a healthy sense of collegiality, mutual trust and respect for each other's performance.

- TENACITY

Keeps a firm hold of organizational goals and persistently exerts all efforts to bring about the desired results.

- TRANSPARENCY

Clear, open and frank in all undertakings.

Objective of the Charter

The Board and Management of the Company are committed in ensuring good corporate governance throughout the Company. In its continuous pursuit to enhance its corporate governance, the Company regularly reviews its existing framework and governance practices to ensure they remain relevant and robust within the challenging and changing business environment.

The Board is primarily responsible for ensuring that the Company has an appropriate/effective corporate governance structure aimed at creating and protecting shareholders' value.

The Board also has fiduciary responsibility to ensure that Management's actions promote organisational and financial health of the Company.

The Board is also responsible for ensuring that the Management recognises the Company's legal and other obligations to all legitimate "Stakeholders". Stakeholders are groups that are likely to feel a social, environmental, economic or financial impact from the Company's actions and activities including the shareholders, customers, suppliers, employees, government regulators and members of the communities where the Company operates.

The Board is obliged to its stakeholders in ensuring that appropriate accountability and control systems are in place.

The Charter serves as a source of reference and primary induction literature, providing insights to existing and prospective board members to assist the board members in performing fiduciary duties and responsibilities as directors of the Company and provides a tool for the Board and its Committees for consistency of procedures and good self-governance to facilitate decision making process towards achieving the Company's mission and vision. This Charter is available on the Company's website www.alam-maritim.com.my.

Compliance with Laws

- (i) As a public company listed on the Bursa Securities, the Company must comply with the Act, the Listing Requirements, the CMSA and the MCCG as well as other applicable laws.

Examples of applicable areas of regulation include, but not limited to:-

- (a) Maritime laws, safety legislation and regulations;
- (b) Occupational health and safety legislation;
- (c) Employment related laws;
- (d) Environmental protection legislation;
- (e) Taxation legislation; and
- (f) the Competition and Consumer Act.

- (ii) As a company operating in numerous jurisdictions, the Company must ensure that it is aware of and complies with all applicable laws in those jurisdictions.

2.0 THE BOARD

2.1 Board Composition and Balance

- 2.1.1 Pursuant to the Constitution of the Company, the number of Directors shall be not less than two (2) and not more than twelve (12) members.
- 2.1.2 At least two (2) directors or one third (1/3) of the Board, whichever is higher, shall be Independent Directors.
- 2.1.3 If the number of directors of the Company is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) must be used.
- 2.1.4 The Board shall consist of the MD/Chief Executive Officer.
- 2.1.5 The Directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing Directors, however the total number of Directors shall not exceed the number fixed in accordance with the Company's Constitution.
- 2.1.6 The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interest of the Group as a whole rather than of individual shareholders or other stakeholders.
- 2.1.7 The Board shall consist of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- 2.1.8 The Independent Director provides independent judgement, experience and objectivity without being subordinated to operational considerations.
- 2.1.9 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. An Independent Director may continue to serve on the Board upon completion of the nine (9) years subject to the Director's re-designation as a Non-Independent Director.
- 2.1.10 An Independent Director who has served the Company for more than nine (9) years shall retain as Independent Director subject to the approval of shareholders at general meetings.
- 2.1.11 Should the Board intend to retain an Independent Director who has served the Company after year-12, it should provide justification and seek shareholders' approval on his re-appointment through a two-tier voting process (as per Practice 4.2 of MCCG) in the general meeting.
- 2.1.12 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account

by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

- 2.1.13 Non-Executive Directors should be persons of caliber, credibility and have the necessary skills and experience to bring independent judgement to bear on the issues of strategy, performance and resources including key appointments and standards of conduct.
- 2.1.14 The Chairman of the Board is an Independent Non-Executive Director who is a Malaysian citizen. In the event that the Chairman of the Board is not an Independent Director, then the Board should comprise of a majority of Independent Directors to ensure balance of power and authority on the Board.
- 2.1.15 In the event of any vacancy in the Board resulting in non-compliance with Paragraph 1.1.1 above, the vacancy must be filled three (3) months.
- 2.1.16 The Company Secretary shall advise the Board to make the necessary announcement to Bursa Securities on any changes to the Board compositions.
- 2.1.17 Profiles of the Board are disclosed in the Annual Report of the Company which is accessible in the Company's website.

2.2 Principal Responsibilities

- 2.2.1 The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders. It is essential for the Board to govern and set the strategic direction of the Company while exercising oversight on management in discharging its fiduciary duties and leadership functions. The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.
- 2.2.2 The Board has a legal duty to act in the best interest of the Company. The Board collectively and individually, must at all times act honestly and use reasonable diligence in discharging of their duties.
- 2.2.3 The Board must assume the following responsibilities:-
- (a) reviewing and adopting a strategic plan for the Group;
 - (b) overseeing the conduct of the Group's business;
 - (c) identifying principal risks and ensuring implementation of appropriate internal controls system and risks management and mitigation measures; including the system for compliance with applicable laws, regulations, rules, directives and guidelines, code of conduct, continuous disclosure and other significant corporate policies;

- (d) Board and Executive Director's and Senior Management's development and succession planning;
- (e) overseeing the development and implementation of a shareholder communication policy within the Group and with its stakeholders;
- (f) reviewing the adequacy and integrity of the Company's management information and internal control systems;
- (g) reviewing and approving the Annual Planning and Budget (corporate and operating budget);
- (h) approving authority in accordance with the Financial Limits of Authority ("FLOA") and monitoring the progress of business performance, strategic planning and major capital expenditure;
- (i) reviewing and approving investment policies and guidelines for the Group's surplus funds, asset allocation policy and policy on exposure limits investment with bank and financial institution, where applicable;
- (j) developing the description of functions and monitoring Executive Directors and Senior Management's performance and implementation of strategy and policies, reviewing talent management within the Group's Organisation Chart, its succession plan and assessing whether current appropriate key resources are available and future resources are planned;
- (k) approving and monitoring financial (Annual Audited Financial Statements and Quarterly Financial Reports including statement explaining the Board's responsibility for preparing the Annual Audited Financial Statements) and other reporting to the market, shareholders (Audit Committee Report, Statement on Risk Management and Internal Control for the Annual Report) employees and other Stakeholders;
- (l) approving a Corporate Governance Overview Statement on Compliance with the MCCG for the Annual Report;
- (m) appointing, removing the MD/CEO;
- (n) appointing and removing the Company Secretary;
- (o) appointment, reappointment, resignation and replacement of the external auditor;
- (p) Approving Internal Audit Plan, its budget and internal audit resources;
- (q) Approving Anti Bribery & Corruption Policies and review its implementation on regular basis.

2.2.4 In discharging his/her duties, each Director must:

- (a) exercise care and diligence;
- (b) act in good faith in the best interests of the Company;
- (c) not improperly use his/her position or misuse information of the Company;
- (d) commit the time necessary to discharge effectively his/her role as a Director; and
- (e) maintain confidentiality of information, data and records to protect the Group's best interest.

2.2.5 All Directors (including Executive Directors) are entitled to be heard at all meetings and should bring an independent judgement to bear in decision-making.

2.2.6 Independent Directors shall hold a private meeting with the External Auditors at least annually without Management present.

2.3 Independence of Directors

2.3.1 The Board recognises the importance of Independent Director in providing independent and sound judgement as well as the relevant checks and balances in proceedings of the meetings. This will enable the Board to make an informed decision.

2.3.2 Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their independent judgements or opinions to the Board and are always able to act in the best interests of the Company and be free of concern about their position or the position of any third party.

2.3.3 Each Director must immediately disclose to the Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.

2.3.4 In the preparation of the Agenda for each Board Meeting, the Chairman and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant Papers) from any Director because of a potential or actual conflict. If the Chairman decides to withhold part or all of an agenda item from a Director, he/she must advise the Director at the time of dispatch of the relevant Board Paper.

2.3.5 Directors are to inform the Chairman prior to accepting any new appointment to any entity's board.

2.3.6 Where the independent status of a Director is lost, this is to be disclosed to the market via Bursa Securities in a timely manner.

2.4 Access to Information and Independent Advice

- 2.4.1 The Company shall provide all Directors with timely and quality information in a form and manner appropriate for them to discharge their duties effectively.
- 2.4.2 Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Group and all employees must comply with such requests. Any significant issues raised by a Director are to be communicated to the Chairman, MD/CEO or Company Secretary.
- 2.4.3 Any Director may take such independent legal, financial or other advice as they consider necessary, at the Company's cost. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.
- 2.4.4 The Board should understand the Group's organisation structure and operations and key developments affecting the Group and may receive periodic presentations to assist in achieving such an understanding.
- 2.4.5 The meeting agenda and board papers are circulated to all Directors three (3) working days before Board and Board Committee meetings to enable the Board to make informed decisions.
- 2.4.6 During a Board meeting, if any Director holds views contrary to those of any of the other Directors on any matter discussed, the minutes will clearly record and reflect the dissenting views, apart from the decision and deliberations of the issues discussed in arriving at the decision.
- 2.4.7 All Board decisions are clearly recorded in the minutes and the minutes of the Board and Board Committees meetings are kept by the Company Secretary and are available for inspection by any Director during office hours.
- 2.4.8 The Company generally adopts the Listing Requirements for Notices of Meetings.

2.5 Board Appointment and Removal

- 2.5.1 The Company has adopted a formal and transparent procedure for the appointment of new Directors. The Board Nomination and Remuneration Committee ("BNRC") is entrusted with the responsibility of assessing and considering the capabilities, commitment and qualities of candidates to be appointed as Board members as well as Board Committee members, taking into consideration the required mix of skills, contribution, performance, competencies and experience relevant to the Group's business prior recommending to the Board. New Directors are expected to have such expertise so as to qualify them to make positive

contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

- 2.5.2 The BNRC is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.
- 2.5.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 2.5.4 A new Director will receive a formal Letter of Appointment setting out the key terms and conditions relative to the appointment.
- 2.5.5 The directorships hold by any Board member shall not exceed five (5) directorships in listed companies. To ensure that a Director devotes his time and commitment to the Company, the Director shall notify the Chairman of his intention prior to accepting any new directorship.
- 2.5.6 The Board acknowledges and strongly supports the need to enhance board diversity as it is critical to the efficient functioning of the Board and good governance. In addition, the Board believes that the appointments of the existing Directors were guided by their skills, experience, competency and wealth of knowledge while taking into consideration gender diversity.

2.6 Board Continuing Education Programs

- 2.6.1 All newly appointed Directors are required to attend the Mandatory Accreditation Program ("MAP") as prescribed by Bursa Securities within the stipulated timeframe.
- 2.6.2 In addition to the MAP, the Board is encouraged to attend training programs conducted by highly competent professionals and which are relevant to the Company's operation and business.
- 2.6.3 The Company Secretary will continuously assist the Board in identifying the training needs of the Directors by providing customised in-house training or by sourcing for the relevant professionals/courses.
- 2.6.4 The Board shall disclose the trainings attended by the Directors in the Annual Report.

2.7 Board Evaluation Assessment

- 2.7.1 The Board has adopted a formal Board Evaluation Process whereby on annual basis the performance of each Committee and Board as well as individual performance will be evaluated. The evaluation assessment is designed as a tool to determine the effectiveness of the Board, Board Committees and individual Directors by identifying their strengths and weaknesses.

- 2.7.2 The results of the evaluation shall be analysed and deliberated at the BNRC annually and escalate to the Board for endorsement.
- 2.7.3 The Board recognises the importance of Independent Director in providing independent and sound judgement as well as the relevant checks and balances in proceedings of the meetings. This will enable the Board to make an informed decision.

2.8 Re-election of Directors

- 2.8.1 All Directors are subject to re-election by rotation once at least in every three (3) years whereby the re-election will take place at each AGM. The Directors to retire at the AGM shall be the Directors who have been longest in service.
- 2.8.2 Pursuant to the Constitution of the Company, the Chief Executive Officer is not subject to the re-election by rotation at the AGM. Save for the CEO, the Executive Directors are subject to the re-election by rotation at the AGM.
- 2.8.3 The re-election of Directors ensures that the shareholders have a regular opportunity to reassess the composition of the Board. Particulars of Directors submitted to shareholders for re-election are enumerated in the Statement Accompanying Notice of AGM.

2.9 Resignation

- 2.9.1 A Director may resign from his appointment as Non-Executive Director or Executive Director of the Company by tendering his resignation letter to the Board as governed by the Act and the Company's Constitution.

2.10 Disqualification of Director

- 2.10.1 The office of any Director including Alternates shall ipso facto be vacated in the following events:-
- (a) ceases to be a Director by virtue of the Act;
 - (b) becomes bankrupt during his term of office or makes any arrangement or composition with his creditors generally;
 - (c) becomes prohibited from being a Director by reason of any order made under the Act;
 - (d) becomes of unsound mind during his term of office or a person whose person or estate is liable to be dealt with in any manner under the law relating to mental disorder;
 - (e) resigns his office by notice in writing to the Company;
 - (f) is absent for more than 50% of the total Board's meeting held during the Financial Year (whether or not an Alternate appointed by him attends);
 - (g) is removed by a resolution of the Company in general meeting;

- (h) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to offences set out in paragraph 15.05 of the MMLR.

2.11 Director's Protection

- 2.11.1 The Constitution indemnifies each Director out of the assets of the Group against any liability incurred or sustained by him/her in or about the execution of his/her duties of his/her office or otherwise in relation thereto, including defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him/her by court in respect of any negligence, default, breach of duty or breach of trust.

2.12 Board Meetings

- 2.12.1 The Board shall meet six (6) times each financial year and at any such times as it deems necessary to fulfil its responsibilities.
- 2.12.2 The Quorum for Board meetings shall be two (2) directors of the Company.
- 2.12.3 Special Board Meeting may be convened as and when the need arises to consider urgent matters that require the Board's consideration.
- 2.12.4 The Management other than the MD/CEO may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- 2.12.5 Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman (unless he is not the Chairman of the Board of Directors) shall have a second or casting vote. A meeting at which only two (2) Directors are competent to vote on the question at issue the Chairman of the meeting at which only such a quorum is present, shall have no casting vote.
- 2.12.6 Director may participate in a meeting of the Board by means of a telephone conference, video conference or any communication equipment which allows all persons participating in the meeting to hear each other.
- 2.12.7 Director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be countered in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Chairman of the meeting then is.
- 2.12.8 A Director shall attend not less than 50% of the total Board's meetings held during a financial year. A Director however shall be required to vacate his position as Director if he is absent for more than 50% of the total Board's meetings held during a financial year.

2.12.9 The number of Board Meetings held per year and the details of attendance of each individual Director in respect of the meetings held shall be disclosed in the Company's Annual Report.

2.13 Conflict of Interest

2.13.1 The Directors have a continuing responsibility to determine whether they have a potential or actual conflict of interest in relation to any matter, which comes before the Board. The Company and the Group have adopted a practice whereby each Director is required to make written declarations whether they have any interest in any transaction.

2.13.2 Notwithstanding any provisions of the Act and the MMLR, the Board must not engage directly or indirectly in any business activity that competes or conflicts with the interests of the Company.

2.13.3 A Director shall not vote in regards to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

2.13.4 Pursuant to the MMLR, a Director with any interest, direct or indirect, must abstain from Board deliberation and not to vote on the relevant resolution in respect of the related party transaction.

2.14 Trading on Insider Information

2.14.1 A Director must not deal in the listed securities of the Company or of other listed companies as long as he is in possession of price sensitive information relating to such listed securities.

2.14.2 Notices on closed period for trading in the Company's shares send to Directors and the relevant personnel who has access to price sensitive information on a quarterly basis specifying the close period where Directors and the relevant personnel are prohibited from dealings in the Company's shares.

2.15 Directors' Indemnity

2.15.1 The Company has in place a liability insurance policy for Directors and Officers in respect of liabilities arising from holding office as Directors and Management of the Company. The insurance does not provide coverage in the event a Director or Management member is proven to have acted negligently, fraudulently or dishonestly.

2.16 Written Resolutions

2.16.1 A resolution in writing signed by a majority of the Directors for the time being present in Malaysia being entitled to receive notice of a meeting of Directors, shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted; provided that where a Director has an alternate, then such resolution may also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered by to the Secretary without delay, and shall be recorded by him/her in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors. The expressions "in writing" and "signed" include approval by legible confirmed transmission by telefax, telex, cable or telegram.

3.0 CHAIRMAN AND MD/CEO

3.1 Balance of Power

The Company shall ensure a balance of power and authority between the Chairman and the MD/CEO with a clear division of responsibility between the conduct of the Board and the Company's business respectively. The positions of the Chairman and the MD/CEO are separated and clearly defined.

3.2 CHAIRMAN

3.2.1 The Chairman:

- (a) is an Independent Non-Executive Director who is a Malaysian citizen; and
- (b) is not to exercise the role of Managing Director or Chief Executive Officer of the Group.

3.2.2 The Chairman is responsible, inter alia:-

- (a) providing leadership to the Board;
- (b) overseeing the Board in the effective discharge of its supervisory role;
- (c) ensuring efficient organisation and conduct of the Board's function and meetings;
- (d) facilitating the effective contribution of all Directors;
- (e) briefing of all Directors in relation to issues arising at meetings;
- (f) promoting constructive and respectful relations between Board Members and between the Board and Management;
- (g) committing the time necessary to discharge effectively his/her role as Chairman; and
- (h) scheduling regular and effective evaluations of the Board's performance.

3.2.3 The roles and responsibilities of the Chairman and MD/CEO are clearly defined and should be reviewed if there are significant changes to the Group's strategy, operations, performance or management.

- 3.2.4 The Chairman, in consultation with the CEO and the Company Secretary, sets the agenda for Board Meetings and ensures that all relevant issues are on the agenda.
- 3.2.5 The Chairman is responsible for managing the business of the Board to ensure that:-
- (a) all Directors are properly briefed on issues arising at Board Meetings;
 - (b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable a thorough preparation for the Board discussion;
 - (c) the issues discussed are forward looking and concentrate on strategic issues.
- 3.2.6 The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails.

3.3 The MD/CEO

- 3.3.1 The MD/CEO is responsible for the day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- 3.3.2 The MD/CEO is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements during employment and termination provision.
- 3.3.3 The MD/CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- 3.3.4 All Board authorities conferred on the Management is delegated through the MD/CEO and this will be considered as the MD/CEO's authority and accountability as far as the Board is concerned.

4.0 BOARD COMMITTEES

- 4.1 To assist the Board in fulfilling its duties and responsibilities, it has established three Committees:-
- (a) Board Audit Committee ("BAC");
 - (b) Board Nomination and Remuneration Committee ("BNRC"); and
 - (c) Board Risk Management Committee ("BRMC").
- 4.2 Each Committee has a formal Terms of Reference ("TOR") and has been granted certain delegations. These Board Committees are assisted by the sub committees attended by Management to advise the Board Committee members in making its decisions.
- 4.3 Each Committee has an obligation to report on its Meetings to the Board and minutes of all Committee Meetings are made available to all Directors.

4.4 Independent Directors play leading roles in these committees. Management and third parties are co-opted to the Committees as and when required. Where Committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted in their respective reports for the Board's deliberation and endorsement. The Chairman of each Committee reports the outcome of the Committee meetings to the Board and relevant decisions are incorporated into the minutes of the Board Meetings.

4.5 Details of the membership and a summary of the Terms of Reference of each Committee appointed by the Board are published in the Annual Report.

4.6 Board Audit Committee

4.6.1 The BAC assists the Board in regard to regulatory financial reporting, internal control matters, including:-

- (a) to review the Group's financial reporting on quarterly and annual basis;
- (b) to review the Group's corporate governance and internal control matters; and
- (c) oversight of the independence of the external and internal auditors.

4.7 Board Nominations and Remuneration Committee

4.7.1 The BNRC assists the Board in regard to:

- (a) Board appointments, re-elections and performance;
- (b) diversity obligations;
- (c) Directors' induction programs and continuing development;
- (d) Committee Membership;
- (e) succession of the MD/CEO;
- (f) the remuneration framework for Non-Executive Directors;
- (g) remuneration and incentive framework, including any proposed equity incentive awards for the MD/CEO, Executive Directors and Senior Management;
- (h) recommendations and decisions (as relevant) on remuneration and incentive awards for the MD/CEO, Executive Directors and Senior Management; and
- (i) strategic human resources policies.

4.8 Board Risk Management Committee

4.8.1 The BRMC assists the Board in establishing a sound risk management framework and internal control system:-

- (a) to provide a strong control environment and effective monitoring and management of principal risks of the Group;
- (b) To ensure regular assessment, identification, mitigations and monitoring of all principal risks;
- (c) to coordinate and prioritise the Risk Management activities of the Group to ensure key risks are adequately identified and managed;
- (d) To ensure the Group's Risk Management framework is continuously aligned with its business strategies and risk tolerance, whereby risks are considered in the Groups' long term plans and investment or capital allocations;
- (e) To ensure adequate resources, expertise, and information to manage risks are available throughout the Group ; and
- (f) To propagate a risk awareness culture among the Group's stakeholders, in particular all levels of staff within the Group, by way of continuous risk training and education.

4.9 Disclosure

- 4.9.1 The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee such as in the Corporate Governance Statement to be issued in the Annual Report.
- 4.9.2 The Board requires all Directors to submit a Disclosure of Interest to avoid any conflict between their personal interests and the interests of the Company. In the event of a conflict, either perceived or actual, this Disclosure of Interest shall be submitted to the Chairman of each Committee with a copy to the Company Secretary.

4.10 Revision of the Terms of Reference

- 4.10.1 Any revision or amendment to the respective Terms of Reference, as proposed by Management, any Committee or third party, shall first be presented to the Board for its approval.
- 4.10.2 Upon the Board's approval, the said revisions or amendments shall form part of the respective Terms of Reference and then shall be considered duly revised or amended.

4.11 Employee Share Option Scheme ("ESOS") Committee

- 4.11.1 The ESOS is administered by the ESOS Committee appointed by the Board. The Board shall have the discretion as it deems fit from time to time to approve, rescind and/or revoke the appointment of any person(s) in the ESOS Committee.
- 4.11.2 The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board. The ESOS Committee may for the purpose of administering the ESOS do all acts and things and enter into any transaction, agreement, deed, document or arrangement, and make rules, regulations or impose terms and conditions or delegate part of its powers relating to the ESOS, which the ESOS

Committee may in its discretion consider to be necessary or desirable to give full effect to the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company.

- 4.11.3 The ESOS Committee shall comprise representative(s) from the Board and other persons appointed from time to time by the Board.

5.0 Remuneration Levels of Directors

- 5.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully and meeting its objectives, taking into consideration all relevant factors including the function, expertise, workload, complexities and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 5.2 The framework for the remuneration of Executive and Non-Executive Directors is reviewed regularly against market practices. The remuneration of Non-Executive Directors is based on a standard fixed fee. The Non-Executive Directors are paid meeting allowances in accordance with the number of meetings attended during the year.
- 5.3 The Company may undertake a formal independent review of the Directors Remuneration no less frequently than once in every three (3) years in order to ensure that the Board is adequately remunerated.
- 5.4 The details of the remuneration received by the Directors are disclosed in the Annual Report.

6.0 FINANCIAL REPORTING

6.1 Transparency

- 6.1.1 The Board shall provide and present a clear and balanced assessment of the Company's financial performance and future prospects at the end of each financial year primarily through audited financial statements, quarterly announcement of results to shareholders as well as the Chairman's Statement and Management Discussion and Analysis in the Annual Report.
- 6.1.2 The Directors are to ensure that the financial statements are prepared so as to give a true and fair view of the state of affairs of the Company and the Group in accordance with the approved accounting standards.
- 6.1.3 The Board is assisted by the BAC to oversee the Group's financial reporting processes and the quality of its financial reporting.
- 6.1.4 In line with the MMLR of Bursa Securities, quarterly financial results is announced to Bursa Securities within two (2) months after the end of each quarterly financial period.

6.1.5 The Auditors' Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

6.2 Company Auditors

6.2.1 The Board has formal and transparent procedures for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.

6.2.2 The BAC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors.

6.2.3 Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors shall retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

6.2.4 The external auditor must attend the AGM of the Company and must be available to answer questions about:-

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Auditor's Report;
- (c) the accounting policies adopted by the Group in relation to the preparation of the financial statements; and
- (d) the independence of the external auditor in relation to the conduct of the audit.

6.3 Internal Controls and Risk Management

6.3.1 The Company has an internal audit function, which critically reviews significant aspects of the Company's activities and its internal controls. Comprehensive audits on governance, financial and operational activities and risk management are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the BAC.

6.3.2 The Board with the assistance of the BAC ensures the system of internal controls is reviewed and thereafter receives reports regarding the outcome of such reviews on a regular basis.

6.3.3 The Company's risk management framework and internal controls are disclosed in the Annual Report.

7.0 GENERAL MEETINGS

7.1 Annual General Meeting

- 7.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and Senior Management shall be in attendance.
- 7.1.2 The Company regards the AGM as the key forum of communication and dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 7.1.3 The Chairman and, where appropriate, the MD/CEO shall respond to the shareholders' queries during the meeting.
- 7.1.4 The Chairman shall inform the shareholders of their right to demand a poll vote at the commencement of AGM.

8.0 INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

- 8.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy with its shareholders and investors.
- 8.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance in addition to other announcements made during the year.
- 8.3 The Group shall use its best endeavours to familiarise and equip itself with issues of concern to shareholders.
- 8.4 Beneficial owners of the Company's shares are encouraged to contact the Company's Share Registrar, Tricor Investor Services Sdn Bhd (118401-V) of Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur or any other address that may be changed from time to time or the Company Secretary to arrange the direct receipt of shareholder materials.
- 8.5 The Company's website, www.alam-maritim.com.my, provides easy access of communication and source of information on corporate information pertaining to the Company and its activities to shareholders, and the general public and is continuously updated.
- 8.6 As part of an effective shareholder communications strategy, the Company will:
 - a) maintain and keep current its Corporate website; and
 - b) make available, via its Investor Relation webpage, materials presented at significant investor briefings.

9.0 RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

9.1 Employees

9.1.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the objectives of the Company.

9.1.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:-

- (a) occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
- (b) industrial relations with the objective of managing employees' welfare and well-being in the workplace.

9.2 Environment

9.2.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the objectives of the Company.

9.2.2 The Company shall comply with all rules and directives of the authorities on environmental safety and protection as part of its commitment to protect the environment and contribute towards sustainable development.

9.2.3 The Company is committed in supporting initiatives on environmental issues.

9.3 Corporate Social Responsibility

9.3.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.

9.3.2 The Company supports charitable causes and initiatives on community development projects.

10.0 COMPANY SECRETARY

10.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

- 10.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 10.4 The Company Secretary is to advise Directors of their obligations to adhere to matters relating to:-
- (a) disclosure of interest in securities;
 - (b) disclosure of any conflict of interest in a transaction involving the Company;
 - (c) prohibition on dealing in securities; and
 - (d) restrictions on disclosure of price-sensitive information.
- 10.5 The roles and responsibilities of a Company Secretary include, but are not limited to the following:-
- (a) manage all Board and Board Committees meeting logistics, attend and record minutes of all Board and Committees meetings and facilitate Board communications;
 - (b) advise the Board on its roles and responsibilities;
 - (c) assist in Directors training and development;
 - (d) advise the Board on corporate disclosures and compliance with Company and securities regulations and listing requirements;
 - (e) manage processes pertaining to the general meetings;
 - (f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
 - (g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.
- 10.6 The Board Members have unlimited access to the professional advice and services of the Company Secretary.
- 10.7 The removal of the Company Secretary is a matter for the Board as a whole.

11.0 Annual Report — Corporate Governance Overview Statement

- 11.1 Annual Report is to include a Corporate Governance Overview Statement which will contain the content required by the Listing Requirements and MCGG.

12.0 Corporate Philosophy and Corporate Policy

- 12.1 The Board oversees the Corporate Policy including the key Group Policies such as Integrated Management System Policy, Drug and Alcohol Policy, Stop Work Policy, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy. The Board has

endorsed the Company's shared values and Corporate Philosophy i.e. iCARE which can be accessed on the Company's website at www.alam-maritim.com.my

13.0 Code of Conduct

13.1 The Company Code of Conduct is to be observed by all Directors, employees, consultants and any other person when they represent the Group.

14.0 APPLICATION

14.1 The principles set out in this Charter are:-

- (a) kept under review and updated as practices on Corporate Governance development and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- (b) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.

14.2 The Board endeavors to comply at all times with the principles and practices set out in this Charter.

REFERENCES:-

1. Bursa Malaysia Best Practices in Corporate Disclosure
2. The Company Code of Conduct
3. Companies Act 2016
4. Main Market Listing Requirements of Bursa Malaysia Securities Berhad
5. Malaysian Code on Corporate Governance
6. Constitution of Alam Maritim Resources Berhad