

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5078
COMPANY NAME : MARINE & GENERAL BERHAD
FINANCIAL YEAR : April 30, 2020

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 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.

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
Explanation on application of the practice	<p>The Company's Board is responsible for the overall strategic direction and governance of the Group. It does so while exercising reasonable care of the Company as well as the Group's resources.</p> <p>The Company's Board of Directors sets out the broad strategic aims for the Company. With respect to the general strategic direction of the Company, the Board set out the Company's entry into the upstream marine logistics/offshore support services industry back in 2009. The Board later set out its intent to exit the infrastructure sector to focus on marine logistics culminating in the disposal of the Company's infrastructure asset in 2017. The Board also subsequently made the decision to venture into the downstream marine logistics business to complement the push towards making the Company a more integrated marine logistics company in the long run.</p> <p>On a more routine level, the Board also sets the annual business targets and budgets for the coming year. This is usually undertaken in the fourth quarter of the financial year. The resources required by Management to meet their targets are considered and approved by the Board at the same time it considers and sets targets for the coming year.</p> <p>In terms of oversight, the Board also sets clear, pre-defined Financial Authority Limits / Limits of Authority on Management to ensure major decisions, specifically with respect to investments or capital expenditures, are only undertaken after careful consideration by the Board and its various Board Committees, where appropriate. In essence, decisions affecting key business considerations or where they involve a value higher than what has been approved for Management, are all reserved for the Board.</p> <p>The Company had reviewed and approved policies and procedures which promotes good corporate governance culture within the Company including</p>

	<p>Whistle Blowing Policy, Corporate Disclosure Policy, Corporate Diversity Policy, External Auditor Independence Policy, Personal Data Protection Policy, Employee Code of Conduct, Anti-Bribery and Corruption Policy, etc. Different aspects of the Company are covered to reinforce ethical, prudent and professional behaviour within the Group.</p> <p>The Board acknowledges its responsibility towards maintaining an effective risk and internal control system to safeguard shareholders' investment and the Group's assets.</p> <p>The Board appointed a professional advisor namely Tricor Axcelasia Sdn Bhd to develop and enhance the enterprise risk management of the Group. Various initiatives and proposals took place in the financial year for the improvement of the internal controls and risk management of the Group.</p> <p>The Board had segregated the risk management function to the Board Risk Management Committee ("RMC"). The RMC plays a more focused role in the direction and oversight of the Group's risk management whereby the principal risks of investments are considered before making recommendations to the Board.</p> <p>In addition, the Board relies on Management to manage the business of the Group on a day-to-day basis. The Board may also from time to time engage external consultants to assist and provide advice relating to specific issues relating to the Group.</p>
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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
Explanation on application of the practice	<p>Dato' Mohd Azlan bin Hashim was appointed to the role of Executive Chairman on 24 June 2008.</p> <p>As Chairman of the Board of Directors, Dato' Mohd Azlan carries out a leadership role in guiding the conduct of the Board and its relations with shareholders and other stakeholders. He maintains a close professional relationship with his management team. In addition, he chairs Board meetings, as well as general meetings of shareholders, and concerns himself with the good order and effectiveness of the Board and its processes. Some of the functions performed by Dato' Mohd Azlan as Chairman of the Board of Directors include the following: -</p> <ul style="list-style-type: none">• Ensuring that there is a balanced board, comprising Executive, Non-Executive and Independent Directors;• Ensuring full participation of the Directors in the Board's decision-making processes and activities;• Ensuring that the whole Board plays a full and constructive part in developing and determining the Company's and/or Group's strategy and overall business and commercial objectives;• Ensuring that all relevant, material and timely information is made available to the Board for Board meetings;• Effectively leading the Board as a whole and in particular during Board meetings and general meetings;• Setting the agenda to be tabled for discussion, in consultation with the management team and the Company Secretary, taking into consideration the important issues facing the Company and/or Group with emphasis to strategic, rather than routine issues;• Ensuring that there are sufficient channels for effective communication between the Board and the shareholders at general meetings;• Ensuring that complete, timely and clear information on the Company and/or Group affairs are provided to the Board;• Ensuring that the advice of the Company Secretary on compliance, procedures and rules is considered and acted upon; and• Ensuring effective communication between the Company and/or Group and its shareholders, management and other stakeholders.

	<p>In addition to the above, as the Executive Chairman, Dato' Mohd Azlan also performs several other day-to-day functions. These include:</p> <ul style="list-style-type: none"> • Ensuring that the Company's strategies and corporate policies are effectively implemented; • Ensuring that Board decisions are implemented, and Board directions are responded to; • Providing directions in the implementation of short and long-term business plans; • Providing strong leadership; i.e. effectively communicating the vision, management philosophy and business strategy to the employees; • Keeping the Board fully informed of all important aspects of the Company's operations and ensuring that sufficient information is distributed to Board members; and • Ensuring the day-to-day business affairs of the Company is effectively managed by the various Heads of Department. 	
<p>Explanation for departure :</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 1.3

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

Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Board is headed by the Executive Chairman, Dato' Mohd Azlan bin Hashim, also acting as the sole Executive Director of the Company.</p> <p>Given Dato' Mohd Azlan's strong leadership, business acumen and wide experience, the Board continues to maintain this arrangement which it feels is in the best interest of the Company.</p> <p>The Company has opted to address the issue of adequate checks and balances by having a Board with a strong independent representation. 5 out of 8 Board members who served on the Board during the financial year ended 30 April 2020 are Independent Directors with diverse professional and business backgrounds. Decisions by the Board are only made after the issues have been deliberated at length by the Board, wherein the views of each Board member are sought.</p> <p>The Executive Chairman's role in the day-to-day operations of the Company is explained in the Board Charter. The Executive Chairman is tasked with providing leadership, high-level business judgment and wisdom, to meet immediate performance targets without neglecting longer-term growth opportunities of the Company. These include:</p> <ul style="list-style-type: none">• Ensuring that the Company's strategies and corporate policies are effectively implemented;• Ensuring that Board decisions are implemented and Board directions are responded to;• Providing directions in the implementation of short and long-term business plans;• Providing strong leadership; i.e. effectively communicating the vision, management philosophy and business strategy to the employees;• Keeping the Board fully informed of all important aspects of the Company's operations and ensuring that sufficient information is distributed to Board members; and• Ensuring the day-to-day business affairs of the Company is effectively managed by the various Heads of Department.

	<p>In addition, the day-to-day operations of the operating subsidiaries within the Group are carried out by the Chief Executive Officer at Jasa Merin (Malaysia) Sdn Bhd who also acts as Chief Operations Officer at Jasa Merin (Labuan) PLC, reporting directly to the respective Boards. The Executive Chairman does not sit on the Boards of the operating subsidiaries and is therefore not a party to decisions made at the operating subsidiary level.</p> <p>The Executive Chairman is also subject to the Financial Authority Limits / Limits of Authority which sets pre-defined limits on his authority. For example, under the current limits, the Executive Chairman is only allowed to approve unbudgeted transactions up to RM500,000. Meanwhile, key investment and disposal decisions of the holding company, i.e. those with a value of RM500,000 or more, are only considered by the Board of Directors after a recommendation from the Risk Management Committee. Collectively, these safeguards ensure that no one individual can influence key decisions of the Company.</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>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</p>	<p>:</p>	<p>Choose an item.</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 1.4

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
Explanation on application of the practice	<p>In order to assist the Board with its functions, the Company has appointed two (2) qualified Company Secretaries:</p> <ol style="list-style-type: none">1. Ms Lim Hui Ming; and2. Ms Chia Poh Tin. <p>Both are suitably qualified and competent Company Secretaries and are supported by appropriately qualified secretarial staff to ensure they are able to discharge their duties effectively and efficiently.</p> <p>At least one of the Company Secretaries, assisted by an appropriately qualified secretarial staff, will attend the Company's Board or Committee meetings and ensure accurate and proper records of the proceedings and resolutions passed were properly maintained. The Company Secretary in attendance acts as a reference point on matters relating to procedures, governance as well as regulatory requirements.</p> <p>The Company Secretaries also provide updates and assist the Board with interpreting regulatory and listing requirements related to Company.</p> <p>Outside of scheduled meetings, the Company Secretaries also play a key role in advising and guiding Management with respect to compliance matters.</p> <p>From time to time, the Company Secretaries also update the Board in relation to relevant training courses available for their consideration and assist in registration of the training seminars/workshops attended by the Directors, if any.</p> <p>During the annual general meetings of the Company, the Company Secretaries will also coordinate with the Share Registrar, Independent Scrutineer, Shareholders, Board of Directors, the Management, etc. to ensure smooth running of the meetings.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving environment, regulatory changes and developments in Corporate Governance through attendance at relevant conferences and training programmes. They have also attended continuous professional development programme as</p>

	required by the Companies Commission of Malaysia, The Malaysian Institute of Chartered Secretaries and Administrators and other professional bodies.	
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 1.5

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
Explanation on application of the practice	: To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance for each new calendar year. The calendar provides directors with scheduled dates for meetings of the Board, Board Committees and the Annual General Meeting to all Directors. Reading materials for Board/Committee meetings are usually circulated 5 days prior to the meetings. In some instances, additional papers may be submitted during the meeting itself. Management is always present during the meetings to brief the Board on the papers being tabled and remain available to answer any queries raised by the Board/Committee. The final minutes of the prior meetings are always circulated beforehand together with the notice of meeting, usually 5 days prior to the Board/Committee meetings.
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 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
Explanation on application of the practice :	<p>The Board has formally adopted its Board Charter which will be periodically reviewed and kept up-to-date with changes in regulations and best practices to ensure its effectiveness and relevance to the Board objectives. The Board Charter was last reviewed in November 2017 to incorporate changes made by the Malaysian Code of Corporate Governance 2017.</p> <p>The Board Charter for the Company sets out the role of the Board and it also lists the broad powers of the Board. It clearly lists down the various Board committees formed to oversee and address matters which requires detailed review or in-depth consideration. In detail, the Board Charter covers the following:-</p> <ul style="list-style-type: none">• Composition<ul style="list-style-type: none">✓ Tenure of independent director;✓ Key roles of the Executive Chairman;✓ Key day-to-day management role of the Executive Chairman; and✓ Non-Executive Directors' roles;• Ethics• Board structure and procedures<ul style="list-style-type: none">✓ Board's role;✓ Board's power;✓ Board's performance;✓ Board's committees; and✓ Board meetings;• Access• Independent Professional Advice• Remuneration• Indemnification and directors and officer's insurance <p>The Directors' Code of Ethics, which forms part of the Board Charter governs the following:</p>

	<ul style="list-style-type: none"> • Declaration of interests; • Register of related parties; • Conduct in meetings; • Membership of committees; and • Guidelines on acceptance of gifts. <p>The Board Charter is available for viewing on the Company's website (www.marine-general.com.my).</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

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
Explanation on application of the practice	<p>The Company has an Employee Code of Conduct to guide employees on the Company's expectations as well as set parameters for acceptable professional behaviour.</p> <p>The Code of Conduct for the Company was originally part of the Staff Handbook made available to employees of the Company. It has, since November 2017, been adopted separately to provide more prominence to the provisions therein. It has also been revised and expanded to add provisions on anti-bribery, corruption, insider trading and money laundering as a means to further strengthen the Employee Code of Conduct and bring it more in-line with the requirements of the Malaysian Code of Corporate Governance 2017.</p> <p>The Employee Code of Conduct was reviewed and amended on 19 May 2020. Revisions were made to reduce ambiguities with respect to the terminology used, improve the connectivity of the Employee Code of Conduct with other relevant corporate policies and enhance the existing section on anti-bribery and corruption, etc.</p> <p>The latest Employee Code of Conduct is also published on the Company's website (www.marine-general.com.my) for reference.</p> <p>In addition to the above, the Board also observes the Directors' Code of Ethics, which is part of the Board Charter.</p> <p>Apart from prescribing a Code of Conduct for employees, the Company is also cognisant of the various laws that prohibit bribery and corruption. In response to the latest Malaysian regulatory development pertaining to anti-corruption, M&G established a stand-alone Anti-Bribery and Corruption Policy ("ABAC Policy") that is applicable to all its Group Directors and employees, effective from 28 April 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	
Explanation on application of the practice :	<p>The Company adopted a Whistle-Blowing Policy back in 2012 to introduce a safe and acceptable platform for employees to channel concerns about illegal, unethical or improper business conduct affecting the Company and about business improvement opportunities as to ensure that no member of staff should feel at a disadvantage in raising legitimate concerns.</p> <p>It was reviewed and updated in November 2017. The updated Whistle-Blowing Policy has kept the safeguards put in place by the original policy but takes into account recent changes to the organisational structure of the Company and its subsidiaries. The current Whistle-Blowing Policy is expected to be reviewed later this year.</p> <p>The Whistle-Blowing Policy is published on the Company's website (www.marine-general.com.my) for reference.</p> <p>There were no disclosures on record for the Whistle Blowing Policy during the financial year ended 30 April 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

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	5 out of the 8 members of the Company's Board of Directors during the financial year under review are independent. The Independent Directors are from diverse professional and business backgrounds, including members with experience in banking and finance, accounting, law enforcement as well as the oil and gas industry.	
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 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	: Applied - Annual shareholders' approval for independent directors serving beyond 9 years
Explanation on application of the practice	<p>The Company's Board Charter states that the tenure of an Independent Director shall be up to the maximum period of nine (9) years. At any stage up to the completion of nine (9) years, an independent director may be re-designated to be a Non-Independent Director if the Nomination and Remuneration Committee ("NRC") so finds that the Director no longer qualifies to be an Independent Director. An Independent Director so re-designated, may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.</p> <p>The Board Charter continues to state that if the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth (12th) year, the board should seek annual shareholders' approval through a two-tier voting process as stated in the Malaysian Code of Corporate Governance 2017.</p> <p>The NRC has assessed the independence of each of the directors who has served as Independent Non-Executive Directors of the Company for a cumulative term of near to/ more than nine (9) years. The NRC is satisfied that each of these directors has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The length of their service does not interfere with their ability and exercise of independent judgment as Independent Directors. During the financial year under review, the NRC has evaluated the independence of the Independent Directors, where focus goes beyond the Independent Director's background, economic, family and work relationships. Due considerations were also made as to whether an Independent Director can continue to bring independent and objective judgement to the Board.</p>

	<p>Upon the evaluation, the Board endorsed the recommendation of the NRC that the approval of the shareholders be sought. Subsequently, the Company had, at its 22nd Annual General Meeting, sought and obtained the approval of its shareholders to retain Dato' Harun bin Md Idris as Independent Director past his completion of nine (9) years in that role.</p> <p>The Company is not planning to seek shareholders' approval to retain any of its affected Directors to continue as Independent Director past their ninth year at the upcoming 23rd Annual General Meeting.</p>	
<p>Explanation for departure :</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

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 4.4

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.

Application :	Applied	
Explanation on application of the practice :	<p>During the financial year ended 30 April 2020, the Board comprised of eight (8) Directors. Appointment to the Board is based on skills and experience relevant to the business operations of the Company, as well as general availability to serve on the Board.</p> <p>Similarly, the appointment of senior management is dependent upon the business needs of the Company, as well as availability of appropriately qualified individuals for the posts.</p> <p>The effort of the Board in achieving this objective is evidenced through the adoption of the Corporate Diversity Policy in November 2017. The Corporate Diversity Policy is divided into two (2) sections namely Board Diversity Policy and Employee Diversity Policy. The Corporate Diversity Policy considers a number of aspects including skills, regional origins, industry experience, background, gender, age ethnicity, cultural background and other qualities.</p> <p>The Corporate Diversity Policy is available for viewing on the Company's website (www.marine-general.com.my).</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 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application :	Applied	
Explanation on application of the practice :	<p>The Board recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage. A truly diversified Board will include and make good use of differences in the skills, regional origins, industry experience, background, gender, age, ethnicity and other qualities of Directors. With this in mind, the Board adopted a Corporate Diversity Policy in November 2017 to serve as a guide for it, moving forward. This policy is disclosed on the Company's website and annual report for reference.</p> <p>The Board recognises the recommendation of the Malaysian Code of Corporate Governance 2017 issued by the Securities Commission Malaysia to have women Directors on the Board. The Board appointed its first female member, Datin Shelina Razaly Wahi in August 2019. Datin Shelina brings with her a wealth of legal experience to the Board. Her addition allows the Board to broaden its skillsets to meet future challenges.</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 4.6

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.

Application	:	Applied	
Explanation on application of the practice	:	The Company had engaged an external consultant to assist in identifying suitable female candidates to the Board back in 2019. Where appropriate and subject to costs, the Company will consider using similar services in the future.	
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	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee (“NRC”) during the financial year is comprised as follows:</p> <ol style="list-style-type: none">1. Tan Sri Datuk Seri Razman M Hashim (Chairman of the Nomination and Remuneration Committee, Senior Independent Non-Executive Director);2. Dato’ Harun bin Md Idris (Independent Non-Executive Director); and3. Shariffuddin bin Khalid (Independent Non-Executive Director) <p>The Chairman of the NRC, Tan Sri Datuk Seri Razman M Hashim, is a Senior Independent Director of the Company. As Chairman of the NRC, Tan Sri Razman leads the evaluation process for new appointments to the Board, annual review of the Board and Board Committees effectiveness and independently assesses the performance of each individual director.</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

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Board has delegated the task of the preliminary annual evaluation of the Board, the Board Committees and their respective members to the Nomination and Remuneration Committee ("NRC").</p> <p>To facilitate this assessment, a set of evaluation questionnaires seeking feedback on how each Board member views the performance of the Board as a whole and the respective Board Committees reporting to it are circulated. These questionnaires, derived and enhanced from the Exhibits of Corporate Governance Guide (3rd Edition) of Bursa Malaysia Berhad, are not meant to be exhaustive. They do however, provide a basis from which the key factors/criteria to determine effectiveness, may be inferred.</p> <p>Upon receipt of the responses from all individual Directors, Management will compile and summarize the responses for ease of reference as well as to maintain the privacy of the individual responses provided. The raw responses from each member remain available to the NRC.</p> <p>The Board subsequently considers the findings and recommendations (if any) of the NRC based on the feedback gathered from the evaluation questionnaires.</p> <p>For the financial year ended 30 April 2020, the NRC found, after considering the responses provided by each member as well as input from Management, the various Board Committees generally have the right composition and do provide useful recommendations in assisting the Board to make better decisions. The NRC also concluded, amongst others, that the skills and experience mix and composition of the Company's Board of Directors and all Board Committees reporting to it, are generally suitable for the Company, given its size, complexity and the industry it operates in. The Board subsequently considered and endorsed the findings and conclusion of the NRC.</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 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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied
Explanation on application of the practice :	<p>The Board adopted a Board Remuneration Policy applicable for its Directors in November 2017. The Board Remuneration Policy adopted sets out to attract and retain Directors of such calibre to provide necessary skills and experience as required and commensurate the Board's responsibilities, expertise and complexity of the Company activities for the effective management and operations of its businesses.</p> <p>The Company practices a competitive remuneration policy. It applies a simple and straightforward approach to remuneration, while bearing in mind key business strategies, long term goals and building a culture of high performance.</p> <p>The Company maintains two (2) core elements to the remuneration packages; Fixed components being Base Salary, Fixed Allowance and Employee Provident Fund and the Variable component being Performance Bonus for Executive Directors.</p> <p>Fixed components, where appropriate, will be determined by benchmarking exercises while Variable components will be determined by company performance and individual performance. Where applicable, the approval of the Nomination and Remuneration Committee and the Board will need to be obtained.</p> <p>The Board Remuneration Policy is available for viewing on the Company's website (www.marine-general.com.my).</p>
Explanation for departure :	

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 6.2

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
Explanation on application of the practice	:	<p>The Company's Nomination and Remuneration Committee ("NRC") is guided by a clear Terms of Reference, which is also made available on the Company's website (www.marine-general.com.my).</p> <p>The NRC during the financial year is comprised of the following:</p> <ol style="list-style-type: none">1. Tan Sri Datuk Seri Razman M Hashim (Chairman of the NRC, Senior Independent Non-Executive Director);2. Dato' Harun bin Md Idris (Independent Non-Executive Director); and3. Shariffuddin bin Khalid (Independent Non-Executive Director). <p>The NRC consists exclusively of Independent Non-Executive Directors with the Senior Independent Non-Executive Director as the Chairman of the NRC.</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

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 7.1

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																																																																																																																																																																																																								
Explanation on application of the practice :	<p>There is detailed disclosure on named basis for the remuneration of individual directors in the Company's Annual Report for the financial year ended 30 April 2020. For ease of reference, it is reproduced here as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Salary RM'000</th> <th>Bonus RM'000</th> <th>Fees RM'000</th> <th>EPF RM'000</th> <th>Allowances RM'000</th> <th>Benefits in Kind RM'000</th> <th>Total RM'000</th> </tr> </thead> <tbody> <tr> <td>1. Dato Mohd Azlan Hashim</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>1,073</td> <td>298</td> <td>-</td> <td>160</td> <td>-</td> <td>169</td> <td>1,700</td> </tr> <tr> <td>- Group</td> <td>1,073</td> <td>298</td> <td>-</td> <td>160</td> <td>-</td> <td>169</td> <td>1,700</td> </tr> <tr> <td>2. Tan Sri Datuk Seri Razman M Hashim</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>80</td> <td>-</td> <td>7</td> <td>-</td> <td>87</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>80</td> <td>-</td> <td>7</td> <td>-</td> <td>87</td> </tr> <tr> <td>3. Tai Keat Chai</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>84</td> <td>-</td> <td>18</td> <td>-</td> <td>102</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>84</td> <td>-</td> <td>18</td> <td>-</td> <td>102</td> </tr> <tr> <td>4. Nik Abdul Malik bin Nik Mohd Amin</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>66</td> <td>-</td> <td>16</td> <td>-</td> <td>82</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>66</td> <td>-</td> <td>16</td> <td>-</td> <td>82</td> </tr> <tr> <td>5. Dato' Harun bin Md Idris</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>60</td> <td>-</td> <td>7</td> <td>-</td> <td>67</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>72</td> <td>-</td> <td>10</td> <td>-</td> <td>82</td> </tr> <tr> <td>6. Dato' Hj Razali bin Mohd Yusof</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>76</td> <td>-</td> <td>18</td> <td>-</td> <td>94</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>76</td> <td>-</td> <td>18</td> <td>-</td> <td>94</td> </tr> <tr> <td>7. Shariffuddin bin Khalid</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>72</td> <td>-</td> <td>14</td> <td>-</td> <td>86</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>84</td> <td>-</td> <td>16</td> <td>-</td> <td>100</td> </tr> <tr> <td>8. Datin Shelina binti Razaly Wahi</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Company</td> <td>-</td> <td>-</td> <td>42</td> <td>-</td> <td>7</td> <td>-</td> <td>49</td> </tr> <tr> <td>- Group</td> <td>-</td> <td>-</td> <td>42</td> <td>-</td> <td>7</td> <td>-</td> <td>49</td> </tr> </tbody> </table>		Salary RM'000	Bonus RM'000	Fees RM'000	EPF RM'000	Allowances RM'000	Benefits in Kind RM'000	Total RM'000	1. Dato Mohd Azlan Hashim								- Company	1,073	298	-	160	-	169	1,700	- Group	1,073	298	-	160	-	169	1,700	2. Tan Sri Datuk Seri Razman M Hashim								- Company	-	-	80	-	7	-	87	- Group	-	-	80	-	7	-	87	3. Tai Keat Chai								- Company	-	-	84	-	18	-	102	- Group	-	-	84	-	18	-	102	4. Nik Abdul Malik bin Nik Mohd Amin								- Company	-	-	66	-	16	-	82	- Group	-	-	66	-	16	-	82	5. Dato' Harun bin Md Idris								- Company	-	-	60	-	7	-	67	- Group	-	-	72	-	10	-	82	6. Dato' Hj Razali bin Mohd Yusof								- Company	-	-	76	-	18	-	94	- Group	-	-	76	-	18	-	94	7. Shariffuddin bin Khalid								- Company	-	-	72	-	14	-	86	- Group	-	-	84	-	16	-	100	8. Datin Shelina binti Razaly Wahi								- Company	-	-	42	-	7	-	49	- Group	-	-	42	-	7	-	49
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Timeframe :		
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Intended Outcome

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

Practice 7.2

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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Board opts not to disclose the components of the remuneration of Senior Management, which include their salary, bonus, benefits in-kind and other emoluments by virtue that the information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large.</p> <p>In addition, the Board is of the view that it is not to the Company's best business interest to disclose the detailed remuneration of its Senior Management considering the sensitivities associated with such disclosure. The confidentiality of such information is also crucial for the Group in managing our talent bench effectively.</p> <p>The Company has already identified the Top 5 Senior Management for the Group in the Profiles of Key Senior Management section of the Annual Report. The remuneration of the Executive Chairman who is also the highest-ranking member of the Group's Senior Management is already disclosed in the Corporate Governance Overview Statement section of the Annual Report and Practice 7.1 of this Corporate Governance Report.</p> <p>The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully. Excessive remuneration pay-outs are not made to Senior Management personnel in any instance.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	

Timeframe :		
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Intended Outcome

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

Practice 7.3 - 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 :	

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 8.1

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

Application :	Applied
Explanation on application of the practice :	<p>During the financial year, the Audit Committee is comprised of a majority independent directors, as follows:</p> <ol style="list-style-type: none">1. Dato' Haji Razali bin Mohd Yusof (Chairman of the Audit Committee, Independent Non-Executive Director);2. Tai Keat Chai (Non-Independent Non-Executive Director);3. Shariffuddin bin Khalid (Independent Non-Executive Director.); and4. Datin Shelina binti Razaly Wahi (Independent Non-Executive Director). <p>Dato' Haji Razali, the Chairman of the Audit Committee, is an Independent Non-Executive Director.</p> <p>The Terms of Reference of the Audit Committee, which are available on the Company's website (www.marine-general.com.my), includes the detailed roles and responsibilities of the chairman and committee, which encompasses risk management and internal controls, financial reporting, internal audit, external audit and other matters. A summary of work performed by the Audit Committee during the financial year under review is disclosed in the Audit Committee Report contained 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

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 8.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board adopted the External Auditor Independence Policy on 23 August 2018. One of the requirements set out in the External Auditor Independence Policy requires the lead and concurring audit partners hired from the External Auditors to be assigned in the financial reporting oversight role or who is able to exercise influence over the content of the financial statements is subject to a two (2) years cooling off period, i.e. the person must not be an employee of the External Auditor for two (2) years before the person is hired by the Group. Currently, none of the members of the Audit Committee is a former key audit partner of the Company.
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	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company adopted its External Auditor Independence Policy on 23 August 2018. The policy sets out the selection and appointment, independent requirements, approvals for services to be rendered by the external auditor, monitoring and reporting requirements, independence statements by directors, external audit performance review, consequences breach, hiring personnel of the external auditor and performance measures & non-conformance criteria.</p> <p>Both the Audit Committee and Board have considered the external auditor's performance and independence for the financial year ended 30 April 2020.</p> <p>In addition, a written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements has been obtained by the Company.</p>
Explanation for departure	:	Please provide an explanation for the departure.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

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

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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
Explanation on application of the practice	:	<p>The members of the Audit Committee during the financial year are financially literate and are able to understand matters being discussed during meetings.</p> <p>In terms of originating from a financial or accounting background, Mr Tai Keat Chai, is a Fellow of the Institute of Chartered Accountants in England & Wales as well a member of the Malaysian Institute of Accountants. In addition, En Shariffuddin bin Khalid, is a Fellow of the Chartered Institute of Management Accountants.</p> <p>At the Audit Committee meetings held during the financial year under review, the Audit Committee reviewed and resolved issues, arising from the interim and final audits and any matter the external auditors wish to discuss (in the absence of the Management, where necessary).</p> <p>In addition, the Audit Committee is kept up-to-date with the relevant developments on accounting standards, practices and rules by the external auditors.</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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Company's system of internal controls. Additionally, Messrs Tricor Axcelasia Sdn Bhd, has also been appointed to carry out internal audits based on risk-based audit plans approved by the Audit Committee.</p> <p>The Board has also set up a Risk Management Committee, to assist the Board oversee the Company's risk management framework and policies.</p> <p>In addition to this, the Board has also approved pre-defined Financial Authority Limits / Limits of Authority on Management to ensure major decisions, specifically with respect to investments or capital expenditures, are only undertaken after careful consideration by the Board and its various Board Committees, where appropriate.</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

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 9.2

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

Application :	Applied
Explanation on application of the practice :	<p>The Audit Committee is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Company's system of internal controls. Additionally, Messrs Tricor Axcelasia Sdn Bhd, has also been appointed to carry out internal audits based on risk-based audit plans approved by the Audit Committee.</p> <p>The Board has also set up a Risk Management Committee, to assist the Board oversee the Company's risk management framework and policies.</p> <p>The features of the Company's risk management and internal control framework, and the adequacy and effectiveness of this framework is disclosed in the Statement on Risk Management and Internal Control of the Annual Report.</p> <p>The risk management framework is based on the internationally recognized ISO31000 risk management standard. The Audit Committee and the Board reviews its internal control and risk management framework annually. No significant changes were made to the internal control and risk management framework arising from the review.</p> <p>During the financial year under review, the Audit Committee and the Board assessed the key risks for the Group's key operating subsidiaries namely Jasa Merin (Malaysia) Sdn Bhd and Jasa Merin (Labuan) Plc. Various initiatives and proposals took place in the financial year for the improvement of the internal controls and risk management of the Group.</p>
Explanation for departure :	

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

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 9.3 - 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 :	Not Adopted
Explanation on adoption of the practice :	<p>The Board has also set up a Risk Management Committee, comprising of the following, to assist the Board oversee the Company's risk management framework and policies. The composition of the Risk Management Committee however does not comprise a majority of independent directors.</p> <p>During the financial year, the Risk Management Committee is comprised as follows:</p> <ol style="list-style-type: none">1. Tai Keat Chai (Chairman of the Risk Management Committee, Non-Independent Non-Executive Director);2. Dato' Haji Razali bin Mohd Yusof (Independent Non-Executive Director);3. Nik Abdul Malik bin Nik Mohd Amin (Non-Independent Non-Executive Director); and4. Mohd Nizam bin Abd Wahab.

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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company engaged an external consultant, Messrs Tricor Axcelasia Sdn. Bhd. (“Tricor Axcelasia”) to assist the Company by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance process. Tricor Axcelasia’s function is independent of the activities or operations of other operating units.</p> <p>Tricor Axcelasia’s reporting lines are independent from the Management as it reports its findings directly to the Audit Committee.</p> <p>Their key Engagement Partner is invited to attend the Audit Committee meetings to facilitate the deliberation of internal audit reports.</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 10.2

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
Explanation on application of the practice	:	<p>The internal audit function is delegated to Tricor Axcelasia Sdn Bhd and the internal audit staff on the Engagement Team are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The number of staff deployed for the internal audit reviews ranges from 4 to 5 staff per visit including the Engagement Partner. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia.</p> <p>The Engagement Partner is En. Noradlan Abdul Latif who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Member of the Institute of Internal Auditors Malaysia and a Chartered member of the Malaysian Institute of Accountants. Noradlan has a Certification in Control Self-Assessment (United States) and a Bachelor’s Degree in Accounting from University Utara Malaysia.</p> <p>The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF).</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board values constant dialogue and is committed to have effective and transparent communication with its stakeholders. While it endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. As such, the Company's General Meetings serve as the platform by which the Board maintains its communication with shareholders. During such meetings, shareholders in attendance freely interact with the Board members as well as Management, using this opportunity to seek clarification or voice their opinions regarding the business of the Company.</p> <p>The Company has also established a website at http://www.marine-general.com.my from which investors and shareholders can access information relating to the Company, its businesses and periodic performance reports. The website is updated periodically to reflect key changes to the Company.</p> <p>In addition, a designated person has also been assigned to address any queries from the stakeholders and public. This person's contact details and e-mail address can be found on the website as well.</p> <p>In so far as communication with staff, this is done via the quarterly Board meetings and various Committee meetings attended by both Board members and Management. On a less formal level, the Board will engage with the Management as and when the need arises throughout the year.</p> <p>In addition to the above, the Company, via its Management, also conducts periodic meetings with its bankers/financiers to ensure they are apprised of the important business developments at 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>		
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 11.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>This requirement is not applicable as the Company is not a Large Company.</p> <p>M&G's annual report to the shareholders is the main medium used to communicate with shareholders with respect to the Company's activities, operations and performance for the financial year under review.</p> <p>In addition to this, M&G's website (www.marine-general.com.my) publishes all material information regarding M&G for its shareholders. The Company discloses via its website all the announcements made to Bursa Malaysia Securities Berhad. The Company also discloses, via its website, all official press releases issued to the market within a reasonable timeframe after such information is released.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 12.1

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

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.
Explanation for departure	:	The Notice for the Company's 23 rd Annual General Meeting ("AGM") will be sent 21 days prior to the AGM rather than 28 days to provide sufficient time for the Company to prepare and include a Circular on Recurrent Related Party Transaction to shareholders following the partial disposal of the Company's interest in M&G Sutera 8 Sdn Bhd to Muhibbah Engineering (M) Bhd announced on 21 July 2020.
<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 12.2

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
Explanation on application of the practice	:	Based on record, 7 out of 8 members of the Board attended the Company's 22 nd Annual General Meeting ('AGM") and provided meaningful responses whenever questions are addressed to them. The sole absent Director was unable to attend the AGM due to a family bereavement.
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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders’ participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company does not have a large number of shareholders nor does it hold its meetings in remote locations.
		<p>The Board values the participation of its shareholders at the Company’s General Meetings. As such, it has been conducting its General Meetings in easily accessible locations within the Kuala Lumpur / Petaling Jaya area to ensure the majority of its shareholders are able to attend and participate in the meetings, should they choose to do so. Given the reception and participation at the General Meetings held thus far, the Board does not foresee a need for a change in location in the foreseeable future.</p> <p>The Board is also mindful of the trend to incorporate more technology into General Meetings to enable remote participation. While the Board welcomes this trend, it does not see the need to incorporate such technologies into its General Meetings just yet, given the Company’s relatively small shareholder base and the fact that it has historically been holding its General Meetings within the Kuala Lumpur / Petaling Jaya area.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

**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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