



## MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมต มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,  
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

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## RESPONSE TO SGX QUERIES ON MERMAID'S 2019 ANNUAL REPORT

Mermaid Maritime Public Company Limited (“Mermaid” or the “Company”) refers to its announcement dated 27 March 2020 in relation to the Company’s Annual Report for the financial year ended 31 December 2019 (“2019 Annual Report”).

The Company has received two queries from the Singapore Exchange Regulation (“SGX RegCo”) on 3 May 2020 in relation to the disclosures contained in the Corporate Governance section of the 2019 Annual Report and hereby submits its reply to such queries as follows:

### **SGX RegCo Query No. 1**

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

Provision 8.1 of the Code states that:

*“The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:*

*(a) each individual director and the CEO; and*

*(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.”*

We note the Company’s disclosure on remuneration at pages 28, 29 and 30 of the annual report for FY2019. Where the Company’s practices deviate from the provisions of the Code, please explicitly state the provision from which it has deviated from, explain the reason for the deviation and explain how the practices it had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### **Company’s Response No. 1**

In relation to Provision 8.1(a) of the Code, given the remuneration discrepancies within the industry and also across the industries, and the competitive pressures that may result from such disclosure, the Board is of the opinion that it is in the best interest of the Company not to



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disclose the detailed remuneration of each individual director and the CEO. The Company had instead disclosed in the 2019 Annual Report such remuneration in bands of S\$100,000 and it is the Board's view that such disclosure would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices in relation to its directors and the CEO.

In relation to Provision 8.1(b) of the Code, the Company had disclosed in the Corporate Governance section of the 2019 Annual Report the names, amounts and breakdown of remuneration of its top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key executive management personnel.

### **SGX RegCo Query No. 2**

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications in your disclosure.

### **Company's Response No. 2**

The Company had disclosed in the Corporate Governance section of the 2019 Annual Report that the Audit Committee is of the view that the internal audit function is independent, effective and adequately resourced.

The Audit Committee is also of the view that the head of the internal audit function team, having 15 years of work experience in internal audit, risk management and advisory services, has the relevant experience and qualifications to perform the role.

Please be informed accordingly.

Vincent Siaw  
Executive Vice President & Chief Operating Officer  
Corporate Business Ventures  
5 May 2020