

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0074  
**COMPANY NAME** : Green Ocean Corporation Berhad  
**FINANCIAL YEAR** : June 30, 2022

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>the Board</b>" or the "<b>Director(s)</b>") of Green Ocean Corporation Berhad ("<b>Green Ocean</b>" or the "<b>Company</b>") is collectively responsible in establishing the objectives, provides strategic direction to the Group in achieving its business plan and overseeing the conduct, performance and internal controls of the business activities as well as reviewing of financial and operating performance of the Company and its group of companies (the "<b>Group</b>"). These include determining the key strategies, financial and organisational matters such as approval of interim results and annual audited financial statements, significant acquisition and disposal, major capital expenditures and long-term strategic planning for the Group. In discharging its stewardship, the Board is constantly mindful of safeguarding the interests of the Group's stakeholders and is ultimately responsible for the performance of the Group. The Board has discharged its key fiduciary duties, leadership functions and responsibilities as summarised below:</p> <ul style="list-style-type: none"><li>a) Review and approve strategic plans and key business initiatives;</li><li>b) Oversee the conduct of the Group's business affairs and to evaluate whether the businesses are properly and effectively managed;</li><li>c) Identify principal risks and ensure the implementation of appropriate systems and controls to manage these risks;</li><li>d) Ensure that there are sound succession plans for Board and Senior Management teams;</li><li>e) Develop and implement an investor relations programme or shareholders' communications policy; and</li><li>f) Review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li></ul>

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board chaired by Dato' Nik Ismail bin Dato' Nik Yusoff, an Independence Non-Executive Chairman, who is responsible to provide leadership for the Board so that the Board can perform its responsibilities effectively.</p> <p>The Chairman's responsibilities include the following:</p> <ul style="list-style-type: none"> <li>- manage the interface between Board and Management;</li> <li>- ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;</li> <li>- lead the Board in establishing and monitoring good corporate governance practices in the Group;</li> <li>- ensure the integrity of the governance process and issues; and</li> <li>- functioning as a facilitator at meetings of the Board to ensure that discussions result in logical and understandable outcomes.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of Chairman and CEO are held by different individuals.</p> <p>The Chairman, Dato' Nik Ismail bin Dato' Nik Yusoff, is an Independent Non-Executive Chairman. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in the Board discussions.</p> <p>As at the financial year ended 30 June 2022, the Group has not appointed a CEO. The Executive Director, Mr. Tay Ben Seng, Benson, is responsible for the day-to-day management of the Group's businesses, which includes implementing the policies and decisions of the Board.</p> <p>The Chairman leads the Board in its collective oversight of Management and the Executive Director focuses on the business and day-to-day management of the Company.</p> <p>The separation of powers, combined with the presence of the Independent Directors, ensures a balance of power and authority and provided a safeguard against the exercise of unfettered power in decision-making.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	Please provide an explanation on how the practice is being applied.
<b>Explanation for departure</b> :	The Chairman, Dato' Nik Ismail bin Dato' Nik Yusoff, is a member of the AC and NRC
	Despite Dato' Nik Ismail bin Dato' Nik Yusoff role as Chairman of the Board and member in others committee, he exercises independent and objective opinions and advises the Company based on his extensive experience. In addition, the Chairman is not involved in the Company's managerial and operational matters.  The Company viewed the size of its Board is adequate to carry out the Board's fiduciary and other duties in an effective and efficient manner. Alternatively, the Board will consider on the shuffling of the composition of AC, RC and NC, if there is a necessity on it.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by one (1) External Company Secretary. The Company Secretary of Green Ocean is qualified to act as Company Secretary under Section 235 of the Companies Act 2016, of which she is an Associate Member of the Malaysian Institute of Chartered Secretaries &amp; Administrators. The Company Secretary provides the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, guidance and legislation.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly updated on new guidelines, directions and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Executive Director assist the Chairman of the Board and Chairman of Board Committees to deal with the Board agenda and to provide the relevant information and documents to directors on a timely basis. The Board is satisfied with the support and performance provided by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board is of the view that the Company Secretary have been competent and kept herself abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.6**

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board meets at least once every quarter with additional Board meetings to be convened as and when necessary. Prior to the meetings of the Board and Board Committees, notice of meeting setting out the agenda and accompanied by the relevant Board Papers are circulated to all Directors, so as sufficient time given to the Directors to review, seek additional information and/ or clarification on the matters to be deliberated at Board meetings.</p> <p>All deliberations and decisions at Board and Board Committee meetings are well documented in the minutes by the Company Secretary. The meeting minutes will be circulated to the Board and Committees and confirmed as a correct record of the proceedings by the Board and Board Committees at their following respective meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of the Company documented the policies that the Board has decided upon to discharge its responsibilities, including good governance and leadership. The Board Charter also serves as a primary reference and part of the induction literature, providing insights to prospective and existing Board members.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, and other stakeholders and that highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company.</p> <p>The Board will review the Board Charter from time to time to ensure its applicability to the Company's current situation. The Board Charter is available on the Company's website at <a href="http://www.greenocean.com">www.greenocean.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group's Code of Business Conduct and Ethics (" <b>the Code</b> ") sets out the standards of ethical behaviour and values expected of Directors and employees and serves as a guide and reference in the course of the performance of their responsibilities. The Board has implemented appropriate processes and systems to support, promote and ensure its compliance.  The Code, together with Whistleblowing Policy, Anti-Bribery and Corruption Policy are available on the Company's website at <a href="http://www.greenocean.com">www.greenocean.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Whistleblowing Policy which is available on the Company’s website at <a href="http://www.greenocean.com">www.greenocean.com</a>, sets out the disclosure procedures and protection for whistle blowers to meet the Group’s ethical obligations. Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them.</p> <p>All whistleblowing reports are addressed to the Audit Committee (“AC”) Chairman. This policy is administered by the AC with the assistance of the Management and overseen by the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that sustainable development and responsible manner are important in continuously developing and improving the business operations of the Group.</p> <p>The Board believe high standards of governance across our business will promote responsible in business practices, manage environment impacts and meet social needs of the community and is lead from the top. All divisions within the Group work closely to drive the implementation of the Board's approved sustainability strategies and practices.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of the engagements with the internal and external stakeholders.</p> <p>The Sustainability Statement is disclosed in the annual report to provide the stakeholders with a better understanding of the Company’s sustainability strategies, priorities and targets.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board focuses on the sustainability issues relevant to the Company’s business and discusses the issues at the board meetings when necessary.</p> <p>The Board, with assistance from the NRC, reviews the needs of the Directors to attend training or seminar or participate in briefing relating to sustainability or climate change from time to time in order to stay abreast and understand the sustainability issues relevant to the Company’s business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	There were no performance evaluations of the board and senior management in addressing the company's material sustainability risks and opportunities.	
		The Board will continue to improve the performance evaluation criteria by including the review of the performance in terms of sustainability risks and opportunities moving forward.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

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

## Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The role of the NC is to assist the Board in ensuring the Board comprises individuals with the requisite skills, knowledge and experience. The NC leads in the process of identifying and recommending suitable candidates for directorship to the Board and Board Committees.</p> <p>The NC conducts an annual review of the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and the independence of the Non-Executive Directors and also an assessment of the performance of the Board, Committees and individual of Directors.</p> <p>The NC shall consider the prospective Director's character, experience, skills, expertise, core competencies, integrity and time commitment, number of directorships and external obligations.</p> <p>The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If upon completion of nine (9) years, the Independent Director continues to serve on the Board, he or she may do so subject to the re-designation as a Non-Independent Director after serving a cumulative term of nine (9) years, subject to the following:</p> <ul style="list-style-type: none"><li>a) assessment by the NC, regarding the independence and contributions; and</li><li>b) shareholders' approval in a general meeting, where the Board must provide its justification on the recommendation.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>More than half of the Board members are Independent Non-Executive Directors.</p> <p>Currently, the Board has four (4) members, comprising three (3) Independent Non-Executive Directors and one (1) Executive Director. Independent Directors are representing 75% of the total Board members.</p>	
<b>Explanation for departure</b>	:	Please provide an explanation for the departure.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:	None of the Independent Directors has exceeded the tenure of a cumulative term of nine (9) years in the Company as at 30 June 2022.  The Board noted the recommendation of the MCGG 2021 that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Nevertheless, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the annual approval of shareholders to continue as an Independent Director or be re-designated as a Non-Independent Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

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

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognise that the Board's diversity optimises decision-making process and will conscientiously improve on its current diversity.</p> <p>In evaluating the suitability of the candidates for appointment of Board and Senior Management, the Board and the Nomination and Remuneration Committee ("NRC") consider salient attributes such as mix of skills and experience, strengths, expected contribution, independence (where applicable) and the multiple facets of diversity to ensure a balanced mix of talents on the Board and Management level.</p> <p>The NRC is mindful of the Board's support for Boardroom diversity, particularly, in terms of ethnicity and gender. These factors will be given prime consideration in the recruitment of new Board members.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	At present, appointments to the Board are decided by the members of the Board based on the recommendations of the NRC. Directors' network and referrals from incumbent Directors and business associates are the primary means to source for Directors as they represent a tried and tested method of sourcing high-calibre directors with a sound understanding of the business imperatives.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The profiles of the Directors, including their professional qualifications and work experiences are set out on pages 11 to 13 of the Annual Report 2022 for the shareholders' purview.  The Board's statement of support on the appointment or reappointment of the Directors is set out in the explanatory note of the notice of AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the NRC is Mr. Roy Winston George, an Independent Non-Executive Director of the Company.</p> <p>The Board recognises the need for Chairman of NRC to be independent to ensure objectivity and independent judgement during deliberations.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	Please provide an explanation on how the practice is being applied.
<b>Explanation for departure</b>	:	<p>The Board has not established a formal policy with regards to gender diversity, its target and measures to meet those targets.</p> <p>The Group is an equal opportunity employer, and all appointments and employments are based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by the Board as being important. The NRC will also take into account legal and regulatory requirements, such as those relating to residency and independence, and give due consideration to characteristics, such as gender, age, ethnicity, disability, sexual orientation and geographic representation, which contribute to the Board's diversity.</p> <p>The Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's creativity, efficiency and effectiveness. Female representation will be considered when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted a Gender Diversity Policy which sets out the approach to improve diversity on the Board of Directors and the management level.</p> <p>The Board acknowledges the need for gender diversity for good governance practices and to enhance the efficient functioning of the Board. The Board believes the appointment of a new member is guided by the skills, experiences, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible.</p> <p>The Board shall also accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only gender, but also age and ethnicity for a well-functioned organisation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NC has a formal assessment criterion to assess the effectiveness of the Board. The Board through the annual review by the NC on the size and composition to determine if the Board has right size and sufficient diversity with independence element that fit the company's objective and strategic goal.</p> <p>In evaluating performance of Non-Executive Directors, amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole. Whilst, in evaluating performance of Executive Directors, assessment was carried out against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, product development, conformance and compliance, shareholders'/ investors' relations, employees training and development, succession planning and personal input to the role.</p> <p>The activities undertaken by the NC during the financial year under review were as follows:</p> <ul style="list-style-type: none"><li>● Evaluated the balance of skill, knowledge and experience of the board. Carried out the assessment and rating of each Director's performance against the criteria as set out in the annual assessment form.</li><li>● Undertaken an effectiveness evaluation exercise of the board and its committees as a whole with the objective of assessing its effectiveness.</li><li>● Reviewed and assessed the independence of the Independent Directors of the Company.</li><li>● Reviewed and assessed the performance of AC.</li></ul>

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

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has put in place remuneration policy and procedures which are premised on the need for the remuneration practices of the Company to be competitive, thereby enabling the Company to attract and retain high-calibre directors and senior management.</p> <p>The component remuneration package for Executive Director and Senior Management has been structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>The Directors' fees and benefits, which have been reviewed by the NRC, are recommended by the Board to the shareholders for approval at the forthcoming AGM. The Remuneration Policy will be reviewed periodically and is made available on the Company's website at <a href="http://www.greenocean.com">www.greenocean.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied													
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by the NRC. The members of the NRC comprise exclusively of Independent Non-Executive Directors ("INEDs") and the composition of the NRC is as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>Directorate</th> </tr> </thead> <tbody> <tr> <td>Roy Winston George</td> <td>Chairman</td> <td>INED</td> </tr> <tr> <td>Dato' Nik Ismail bin Dato' Nik Yusoff</td> <td>Member</td> <td>INED</td> </tr> <tr> <td>Kang Teik Yih</td> <td>Member</td> <td>INED</td> </tr> </tbody> </table> <p>The primary responsibilities of the NRC are set out in detail in its Term of Reference which can be viewed from the Company's website at <a href="http://www.greenocean.com">www.greenocean.com</a>.</p>		Name	Designation	Directorate	Roy Winston George	Chairman	INED	Dato' Nik Ismail bin Dato' Nik Yusoff	Member	INED	Kang Teik Yih	Member	INED
Name	Designation	Directorate													
Roy Winston George	Chairman	INED													
Dato' Nik Ismail bin Dato' Nik Yusoff	Member	INED													
Kang Teik Yih	Member	INED													
<b>Explanation for departure</b>	:														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
<b>Measure</b>	:														
<b>Timeframe</b>	:														



**Intended Outcome**

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

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and the Group for the financial year ended 30 June 2022 are disclosed in the Annual Report 2022.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mak Siew Wei	Executive Director	Input info here	Input info here	50.0	Input info here	Input info here	6.4	56.4	Input info here	Input info here	120.0	10.0	Input info here	16.5	146.5
2	Dato' Nik Ismail bin Dato' Nik Yusoff	Independent Director	36.0	3.0	Input info here	Input info here	Input info here	Input info here	39.0	36.0	3.0	Input info here	Input info here	Input info here	Input info here	39.0
3	Roy Winston George	Independent Director	35.0	3.0	Input info here	Input info here	Input info here	Input info here	38.0	35.0	3.0	Input info here	Input info here	Input info here	Input info here	38.0
4	Tay Ben Seng, Benson	Executive Director	Input info here	Input info here	70.0	10.0	Input info here	10.0	90.0	Input info here	Input info here	110.0	10.0	Input info here	15.1	135.1
5	Kang Teik Yih	Independent Director	31.5	3.0	Input info here	Input info here	Input info here	Input info here	34.5	31.5	3.0	Input info here	Input info here	Input info here	Input info here	34.5
6	Lim Ming Chang	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	10.0	Input info here	Input info here	1.3	11.3
7	Datuk Chong Loong Men	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	10.0	Input info here	Input info here	1.3	11.3
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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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 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	At this juncture, the Board is of the opinion that the disclosure on the remuneration of the Key Senior Management on a named basis would not be in the best interest of the Group due to confidentiality and sensitivity concerns as well as the issue of competition and staff poaching.
		The Board will ensure that the remuneration of the Key Senior Managements commensurate with their duties and responsibilities, the performance of the Company and without excessive remuneration payouts.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The AC Chairman is an Independent Non-Executive Director, who is not the Chairman of the Board.	
		<b>The Chairman of the Board</b>	Dato' Nik Ismail bin Dato' Nik Yusoff (Independent Non-Executive Director)
		<b>The Chairman of AC</b>	Kang Teik Yih (Independent Non-Executive Director)
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.  
The company’s financial statement is a reliable source of information.

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Currently, no former key audit partner of the External Auditors of the Company is appointed as a Company Director and a member of the Audit Committee (“AC”).</p> <p>The Terms of Reference of the AC reflects the requirement that a former key audit partner to observe a cooling-off period before he can be considered for appointment as a member of the Audit Committee.</p> <p>The Terms of Reference of AC is available at the Company’s website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC carried out an assessment of the performance and suitability of Messrs Ecovis Malaysia PLT based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit.</p> <p>The AC was generally satisfied with the independence, performance and suitability of Messrs Ecovis Malaysia PLT based on the assessment and are recommended to the Board and shareholders for approval for the re-appointment of Messrs Ecovis Malaysia PLT as External Auditors for the financial year ending 30 June 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC consists of three (3) members, of which all are Independent Non-Executive Directors. None of them are alternate directors

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC possesses the right mix of skills to discharge its duties effectively.</p> <p>The AC is chaired by Mr. Kang Teik Yih, who is a Fellow Member of the Association of Chartered Certified Accountants. He possesses sufficient financial knowledge to provide satisfactory input on financial matters.</p> <p>Members of the AC are financially literate as they continuously keep themselves abreast with the latest development in the new accounting and auditing standards and the impact it may have on the Group through briefings by the Management and the External Auditors.</p> <p>All AC members receive ongoing training and development as detailed in Corporate Governance Overview Statement are disclosed in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The context within which the Group manages risks and the key focus of accountability for this as well as the key processes that have been established in reviewing the adequacy and effectiveness of the internal control system are set out in the Statement of Risk Management and Internal Control of the Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control systems. The Board ensures that the systems manage the Group's key areas of risk within an acceptable risk profile to increase the likelihood that the Group's policies and business objectives will be achieved. Due to the inherent limitations in any risk management and internal control system, the Board continually reviews the system to ensure that the risk management and internal control systems provide a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.</p> <p>Further details on the features of the Group's risk management and internal control are set out in the Statement of Risk Management and Internal Control of the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group outsourced its internal audit function to an independent internal audit service provider, namely CGRM Infocomm Sdn. Bhd.</p> <p>The primary function of internal audit is to undertake systematic reviews of the governance, risk and internal control systems within the Group in accordance with an internal audit plan, so as to provide assurance that such systems are adequate and functioning as proposed.</p> <p>The internal audit function's responsibilities are to provide independent and objective reports on the state of internal controls of the various operating units within the Group to the AC and provide recommendations for the improvement of the control procedures, so that corrective actions are taken to mitigate weaknesses noted in the system and controls of the respective operating units.</p> <p>Details of the internal audit activities and scope of coverage of the outsourced internal audit function including the cost incurred are set out in the Audit Committee Report of the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to an independent professional firm, CGRM Infocomm Sdn. Bhd., to provide assurance on the adequacy and effectiveness of the Group’s internal control system. The internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>A team of 2 to 3 personnel will be assigned to carry out the internal audit review of the Group depending on the scope of review according to the approved risk-based internal audit plan. The team is headed by Ms Jasmine Lee, who is a Certified Internal Auditor, Certified Risk Management Assessor and chartered member of the Institute of Internal Auditors with many years of internal audit experience. As a minimum, the internal audit team possess a bachelor’s degree with some of them being ACCA or CPA qualified professionals.</p> <p>The internal audit fieldwork and reporting are carried out with reference to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors and the COSO Framework for Internal Controls.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensure that the Company continue to engage effectively with its shareholders to facilitate a mutual understanding of objectives. The Group has a number of formal channels in place to effectively communicate this information to all the shareholders and stakeholders. The Board primarily achieve this through the following activities; the annual report, announcements to Bursa Malaysia Securities Berhad, quarterly reports, the Company’s website and investor relations.</p> <p>The Company also maintains a website which shareholders and other stakeholders can gain access to information about the Group, activities and/or any announcements made by the Group. This can all be available and accessible at <a href="http://www.greenoceancorp.com">www.greenoceancorp.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

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

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not a Large Company as defined by Malaysian Code of Corporate Governance. The Company has not adopted integrated reporting based on the globally recognised framework as it is not a statutory requirements.	
		The Annual Report presently contains financial and non-financial information which provides a fairly comprehensive overview of the Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Annual Report 2022, which contains the Notice of Annual General Meeting (“AGM”) of the Company, together with the explanatory notes of the background information and reports or recommendations that are relevant to the proposed resolutions, as well as the Form of Proxy, is sent to the shareholders at least 28 days prior to the date of the AGM, so as to give sufficient time for the shareholders to consider the resolutions that will be discussed and decided at the AGM, and to arrange for proxies to attend the AGM on their behalf, if so required.</p> <p>The Notice of AGM, which sets out the businesses to be transacted at the AGM, is also published in a major local newspaper and the Company’s website at <a href="http://www.greenocean.com">www.greenocean.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors, including the Chairmen and members of NRC and AC, attended and participated at the Company's AGM held on 24 November 2021. The presence of all directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In view of the COVID-19 pandemic and as part of the Company’s precautionary measures, in the interest of the safety and health of the Shareholders, the Board has decided to use remote meeting technology by engaging the services of a third party to broadcast the forthcoming 19th AGM via fully virtual through live streaming from the broadcast venue which will allow remote shareholders to participate in and vote using the remote participation and voting (“RPV”) facilities.	
<b>Explanation for departure</b>	:		
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board recognises that general meetings are a valuable opportunity for the Board to engage with the shareholders of the Company.</p> <p>The Chairman has successfully created a meaningful engagement with the Board and Shareholders throughout the 18<sup>th</sup> AGM. All the Directors of the Company were present at the AGM to provide responses to the questions posed by shareholders.</p> <p>Sufficient time and opportunity were made available for shareholders to pose questions during the 18<sup>th</sup> AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: In view of the COVID-19 pandemic and as part of safety measures against COVID-19, the AGM was held a fully virtual basis through live streaming and online remote voting by using RPV facilities.  The shareholders were allowed to submit their questions at any time from the day of the Notice of AGM and up to the end of the Q&A session.  Questions posed by the shareholders had been presented to all participants during the AGM via RPV facilities.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The Summary of the Key Matters of the Eighteenth AGM have made available to the shareholders at the Company's website at <a href="http://www.greenocean.com.my">http://www.greenocean.com.my</a> .  The minutes of the 18th AGM of the Company held on 24 November 2021 were not circulated to the shareholders.
	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: 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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