

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1996  
**COMPANY NAME** : Kretam Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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 is responsible for the corporate governance practices of the Group and has full and effective control of the Group, including the Management. To ensure good performance of the Group's business, the Board, in discharging its fiduciary functions, assumes the responsibilities of reviewing and adopting the strategic plans for the Group, overseeing the conduct and monitoring the Group's business operations, identifying principal risks and instituting risk management, reviewing and establishing a succession plan for senior management and maintaining and reviewing the adequacy of the Group's internal control systems, management information systems and compliance systems.</p> <p>Besides that, the Board is also responsible for assessing and monitoring the budget proposed and cash flow requirements in order to maintain full and effective control over the Management of the Group as well as monitoring compliance with all relevant statutory and legal obligations.</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 1.2

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 Chairman heads the Board and leads the Directors to review and decide on the Management's proposals relating to the financial and corporate matters of the Company and the Group. Additionally, the Chairman's roles include the following:</p> <ul style="list-style-type: none"><li>• Providing leadership and governance to the Board to create Board effectiveness and ensuring that all key matters are adequately deliberated by the Board;</li><li>• Ensuring that the Board actively participates in the formulation of strategies, policies and plans of the Group, and that decisions are made in the best interest of the shareholders and are effectively implemented by the Management;</li><li>• Taking into consideration of the important issues of the Group and ensuring that sufficient time is allocated for deliberation of the issues as set out in the Board Papers of Board Meetings; and</li><li>• Establishing good corporate governance practices and promoting the highest standards of integrity throughout the Group.</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>	:	The positions of Chairman and CEO of the Board are held by two (2) different individuals.	
<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> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Board is an Executive Director and not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
<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 1.5

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 Company Secretary, Ms Liu Yee Ling @ Annie Liu is a qualified and competent Licensed Secretary, in accordance with Section 235 of the Companies Act 2016, and has served the Group for more than 20 years.</p> <p>She provides advices to the Board regarding statutory and regulatory requirements, as well as the implications in the event of non-compliance of the Company and/or its Directors and Officers. She is also responsible in ensuring that policies and procedures on matters that correspond with the Corporate Governance practices, Companies Act 2016, Main Market Listing Requirements of Bursa Securities and the Company's Constitution are strictly adhered to.</p> <p>In view of the changes and updates in the legal environment governing the management of a company, efforts have been taken by her to attend skills and knowledge enhancement trainings to ensure adequate compliance to the legislations.</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 1.6**

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>Board Papers are despatched to the Directors one (1) week prior to the meetings to ensure that the board has sufficient time to comprehend the matters to be deliberated and make well-informed decisions. The Board may obtain additional information from the Management, where necessary.</p> <p>The discussions and decisions at the meetings will be communicated to the Management for further actions to be taken as and when required. Actions on the matters arising from the previous meetings would also be appropriately and adequately followed up with to ensure that the matters are properly resolved. Minutes of the Board and Board Committee meetings are circulated to the Board and the respective Board Committee members for their comment and confirmation.</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>	:	The respective roles and responsibilities of the Board, the Chairman and CEO of the Board, Board Committees and the Management are clearly outlined in the Board Charter of the Company which is made available in the Company's website at <a href="http://www.kretam.com">www.kretam.com</a> . A review on the Board Charter will be carried out as and when necessary to ensure that it is in line with the Company's objectives, as well as the legal and regulatory requirements.	
<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>	:	<p>The Board, Management and the employees are committed to observing a high level of professionalism and integrity in the business of the Group.</p> <p>The Code of Ethics and Conduct ("Code") provides guidance to the Board, Management and employees of the Group in the day-to-day operations, including the dealing with its stakeholders, which covers the following areas:</p> <ul style="list-style-type: none"><li>• Compliance with laws, rules and regulations relevant to the work and duties of the individual Directors and employees;</li><li>• Conflict of interest;</li><li>• Confidentiality of the Group's information;</li><li>• Protection of the Group's assets and equipment;</li><li>• Adherence to environmental, health and safety policies and regulations;</li><li>• Acceptance of gifts, benefits, favours or service; and</li><li>• Employee misconduct.</li></ul> <p>The Code is made available in the Company's website at <a href="http://www.kretam.com">www.kretam.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>	:		
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### 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>	:	The Company has adopted a Whistleblowing Policy on 29 May 2020 to provide an avenue where employees or members of the public may raise concerns of any wrongdoing or improper conduct involving the Group and its Directors or employees freely without fear or repercussions in a safe and confidential manner.  The Whistleblowing Policy is available on the Company's website at <a href="http://www.kretam.com">www.kretam.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 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>	:	The Board directly oversees matters related to sustainability, which are now discussed during Board Meetings. A Sustainability Committee, chaired by Mr Lim Tshung Yu, assists the Board in this regard.	
<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>	:	Each year the Board publishes the Company's Sustainability Report, which sets out the Group's sustainability priorities and strategies and their relevant performance measures. The Sustainability Report, which is presented as part of the Annual Report 2023, can be easily accessed and downloaded from the Company's website at <a href="http://www.kretam.com">www.kretam.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 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>	:	The Board had formed a Sustainability Committee to assist it in overseeing sustainability matters. The Executive Directors are involved in this committee and are therefore familiar with the sustainability risks faced by the Company. Also, continuing professional development for the Directors now include sustainability-related topics.	
<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>	:	Since the Board has not yet officially set or adopted any sustainability targets and their related key performance indicators, there was no equitable and meaningful basis for any performance evaluation that might otherwise have been carried out.	
		Nil.	
<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**

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>	:	The Nomination Committee conducts an annual assessment of each Director's performance and contribution to the Board. In addition, the Company's Constitution requires one-third of the Directors for the time being, to retire at every Annual General Meeting, who shall be eligible for re-election.	
<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 5.2

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>	:	The Board of the Company comprises six (6) Directors, three (3) of whom are Independent Directors, as follows:  <ol style="list-style-type: none"><li>1. Mr Lim Shaw Keong @ Alfred Lim (<i>Independent Non-Executive Director</i>)</li><li>2. Madam Wong Lee Hung (<i>Independent Non-Executive Director</i>)</li><li>3. Mr Lee Chi Min (<i>Independent Non-Executive Director</i>)</li></ol>	
<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 5.3

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the Independent Directors of the Board had exceeded a cumulative term limit of nine years for the year ended 31 December 2023 ("YE 31.12.2023").	
<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>Appointments to the Board are based on qualifications, skills, expertise and experience necessary for the Company's business operations and to ensure meaningful contribution in the deliberation and decision-making processes of the Board. A breakdown of the composition of the Board is as follows:</p> <ul style="list-style-type: none"><li>• Age 31 to 40: One (1) Director; 51 to 60: One (1) Director; 61 to 70: Four (4) Directors</li><li>• Cultural Background One (1) Sino-Kadazan Director; and Five (5) Chinese Directors</li><li>• Gender Five (5) Male Directors and One (1) Female Director</li></ul> <p>Appointment of the senior management of the Company is solely based on the required expertise and experience in the respective divisions. Detailed profiles of the Board and key senior management are available in the Annual Report 2023.</p> <p>Each Director was able to devote the time to serve the Board as can be seen in his/her attendance in meetings of the Company for YE 31.12.2023 as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Board Attendance</th><th>Audit Committee Attendance</th></tr></thead><tbody><tr><td>Datuk Lim Nyuk Sang @ Freddy Lim – Executive Director (“ED”)</td><td>3 out of 4</td><td>N/A</td></tr><tr><td>Lim Tshung Yu – ED</td><td>4 out of 4</td><td>N/A</td></tr><tr><td>Ho Sui Ting – ED</td><td>4 out of 4</td><td>N/A</td></tr></tbody></table>	Name	Board Attendance	Audit Committee Attendance	Datuk Lim Nyuk Sang @ Freddy Lim – Executive Director (“ED”)	3 out of 4	N/A	Lim Tshung Yu – ED	4 out of 4	N/A	Ho Sui Ting – ED	4 out of 4	N/A
Name	Board Attendance	Audit Committee Attendance												
Datuk Lim Nyuk Sang @ Freddy Lim – Executive Director (“ED”)	3 out of 4	N/A												
Lim Tshung Yu – ED	4 out of 4	N/A												
Ho Sui Ting – ED	4 out of 4	N/A												

	Lim Shaw Keong @ Alfred Lim – Independent Non-Executive Director (“INED”)	4 out of 4	5 out of 5
	Wong Lee Hung – INED	4 out of 4	5 out of 5
	Lee Chi Min – INED	4 out of 4	5 out of 5
<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>	:	Candidates for appointments as Directors of the Company have very often been on the recommendations of the Chief Executive Officer ("CEO") or existing Directors or major shareholders.	
		The existing Directors, management or major shareholders would have better knowledge of whether a candidate recommended by them for appointment as a director is suitable and have the necessary character, experience, integrity, competence and time to discharge his/her role effectively. Furthermore, such appointment would not only have the approval of the CEO or the Director who made the recommendation but also the approval of the rest of the Board before the appointment is made.	
<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>	:	<p>No individual was seeking for election as a Director at the Company's 35<sup>th</sup> Annual General Meeting ("AGM"), as disclosed in the statement accompanying the Notice of AGM.</p> <p>Evaluation on the Directors' performance and contribution to the Board will be included as part of the proposed resolutions in the notice of the coming 36<sup>th</sup> AGM of the Company, for Directors who will stand for re-election.</p> <p>All the interests, positions and relationships of the Directors are disclosed in detail in the Annual Report 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**

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>	:	The Nominating Committee is chaired by Madam Wong Lee Hung, who is an 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 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Out of the Board's composition of six (6) Directors, one (1) of them is a female Director, namely Madam Wong Lee Hung.	
		Continuous efforts are being taken to identify and appoint additional female directors of calibre and who are suitable or familiar with the nature of business of the Company.	
<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 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board does not have a gender diversity policy in place at this juncture.	
		A policy which outlines the requirements on gender diversity would be drafted and tabled in due course.	
<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

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>	: An annual assessment on the Board and Board Committees was conducted during the financial year ended 31 December 2023 by the Nomination Committee via peer review questionnaires which were facilitated by the Company Secretary and participated by all the Board members. The questionnaires covered the following areas: - <ul style="list-style-type: none"><li>• Assessment of the Board and Board Skills as a Whole<ul style="list-style-type: none"><li>➤ <u>Board Structure</u> which included assessing the adequacy of the Board's degree of independence, application of experience, expertise and skills in the issues faced by the Board as a whole, as well as the progressive review required for the refreshment of the Board.</li><li>➤ <u>Strategy and Performance</u> which included the evaluation on the Board's understanding on the Company's values, mission and strategic and business plans, and the demonstration of this understanding in key issues throughout the financial year to provide critical oversight and guidance for the Company's performance and long-term strategy, as well as adequacy of review of capital budgets, strategic plans and regular progress monitoring through the usage of appropriate financial indicators and benchmarks.</li><li>➤ <u>Governance on Board Risk Management &amp; Internal Controls</u> which included evaluation on the system in place for the review of the adequacy and effectiveness of the Company's risk management and internal control systems.</li><li>➤ <u>Board Function and Team Dynamics</u> which included evaluation on the communication of the Board's information needs to the Management, including the need for appropriate benchmarks for the monitoring of results and identification of potential areas of concern regarding performance, completeness of financial information that the Board receives to understand</li></ul></li></ul>

	<p>important issues and trends, as well as attention to high-profile risk issues that bears significant impact to the Company.</p> <ul style="list-style-type: none"> <li>• Review on the Board Committees (Nomination, Audit, Remuneration and Risk Management) <ul style="list-style-type: none"> <li>➤ Assessment on the members of each Committee in understanding the goal and purpose of the Committee.</li> <li>➤ Evaluation on each Committee on the adequacy of timely deployment of resources, support of key stakeholders within the organisation and the frequency of meetings to enable members to consider matters fully to provide useful recommendations to the Board for decision-making.</li> <li>➤ Appraisal on the members of each Committee for the necessary experience and skills to contribute effectively to the work of the Committee.</li> </ul> </li> </ul> <p>Assessment on the tenure, performance and contribution of each Director was also carried out for the financial year ended 31 December 2023.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### Intended Outcome

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

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

### Practice 7.1

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 Remuneration Committee (“RC”) which solely comprises of Independent Non-Executive Directors ensures that the Directors’ remuneration packages remain competitive to attract, motivate and retain Directors with the relevant experience and expertise required for an effective Board. The RC is responsible for recommending to the Board the remuneration of the Executive and Non-Executive Directors, assisting the Board in assessing the responsibility and commitment undertaken by the Board members, as well as assisting the Board in ensuring the remuneration of the Directors reflects the responsibility and commitment of the Director concerned. The Directors are to abstain from all discussions and voting pertaining to their respective remuneration.</p> <p>The Remuneration Policy (“RP”) outlines the justifications of a fair and just payout by taking into consideration the demand, complexities and performance of the Company, and is subject to a periodic review to ensure that the policy remains in line with the market competitiveness and that it is aligned with the business strategy and long-term objectives of the Company. The RP is made available on the Company’s website at <a href="http://www.kretam.com">www.kretam.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>	:		
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### 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>	:	The Remuneration Committee of the Company recommends to the Board the remuneration of the Executive Directors and Independent Directors.  The Terms of Reference of the Remuneration Committee has been in place since the establishment of the Committee and is made available on the Company's website at <a href="http://www.kretam.com">www.kretam.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**

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>	:	Detailed disclosure on named basis for the remuneration of individual Directors is as follows:

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	Datuk Lim Nyuk Sang @ Freddy Lim	Executive Director	10	Input info here	Input info here	Input info here	Input info here	Input info here	10	Input info here	Input info here	1,308	872	91	263	2,534
2	Lim Tshung Yu	Executive Director	10	Input info here	Input info here	Input info here	Input info here	Input info here	10	Input info here	Input info here	420	210	62	78	770
3	Ho Sui Ting	Executive Director	10	Input info here	Input info here	Input info here	Input info here	Input info here	10	Input info here	Input info here	Input info here	20	Input info here	3	23
4	Lim Shaw Keong @ Alfred Lim	Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	46	46	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Wong Lee Hung	Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	38	38	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Lee Chi Min	Independent Director	3	Input info here	Input info here	Input info here	Input info here	36	39	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	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
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

### 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>	:	The Board is of the opinion that the disclosure on a named basis for the remuneration of the single top senior management would not be of the best interest of the individual involved, due to the sensitivity of the matter and the highly competitive employment market in this region where suitably-qualified personnel is not easily available.	
		Disclosure will be made at such time when there is more than one (1) top senior management.	
<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.	

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>	:	Mr Lim Shaw Keong @ Alfred Lim, the Chairman of the Audit Committee is not the Chairman of the Board.	
<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>	:	The requirement of a cooling-off period of three (3) years prior to any appointment of a former key audit partner as a member of the Audit Committee (“AC”) is included in the Terms of Reference of the AC, which was revised on 26 November 2021.	
<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 suitability, objectivity and independence of the Company’s external auditor, Messrs PKF PLT (“PKF”), is reviewed by the Audit Committee in order to justify PKF’s appointment as the Group’s external auditor to the Board and for the approval of the shareholders.</p> <p>PKF’s declaration of independence was made verbally and in writing to the Audit Committee through their annual audit plan as well as via the audit engagement letters, in accordance with the relevant regulatory requirements.</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 Audit Committee comprises of the following directors: <ol style="list-style-type: none"><li>1. Mr Lim Shaw Keong @ Alfred Lim – Chairman (<i>Independent Non-Executive Director</i>)</li><li>2. Madam Wong Lee Hung (<i>Independent Non-Executive Director</i>)</li><li>3. Mr Lee Chi Min (<i>Independent Non-Executive Director</i>)</li></ol>

## 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>All the members of the Audit Committee are financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The profiles of the Audit Committee members including their professional, educational and career backgrounds are disclosed in the Annual Report 2023.</p> <p>Throughout the year of 2023, all the members have undertaken professional development to keep themselves abreast with the relevant developments in the accounting and auditing standards, practices and rules. Details of the training attended by the Directors collectively or individually, are as follows:</p> <ul style="list-style-type: none"><li>• <i>2023 Budget Seminar</i> by Chartered Tax Institute of Malaysia</li><li>• <i>Audit Committee Conference 2023</i> by Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia</li><li>• <i>Seminar Percukaian Kebangsaan</i> by Lembaga Hasil Dalam Negeri Malaysia</li><li>• <i>Technical Update on IFRS Updates and Tax Update- IAS 12</i> by Chartered Accountants – Australia and New Zealand and Ernst &amp; Young</li><li>• <i>Technical Webinar on Future of Financial Planning &amp; Analysis and Trends &amp; Developments in ESG Reporting</i> by Chartered Accountants – Australia and New Zealand and Ernst &amp; Young</li></ul>
<b>Explanation for departure</b>	:	

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

<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>	:	An effective risk management and internal control framework has been established, and had been reviewed and approved by the Board. The framework is disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2023 which has been reviewed by the Company’s external auditors.	
<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 Risk Management Committee ("RMC") assists the Board in the aspect of risk management and monitoring as a means to assess the risk appetite and tolerance of the Group. The responsibilities of the RMC include identifying, managing and mitigating significant risks in order to safeguard the interest of the Group and its shareholders.</p> <p>The RMC meets at least once a year to deliberate and re-assess the significance of each risk in order to ensure the effectiveness of the management in mitigating the risks. One (1) meeting was held in the financial year 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**

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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	A Risk Management Committee ("RMC") has been established by the Board in 2005. The RMC comprises of two (2) Non-Independent Executive Directors ("NIEDs") and one (1) Independent Non-Executive Director. The NIEDs are more familiar with the technicality of the respective operations of the Group, and are able to provide mitigation strategies of the operation risks faced by the Group.

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The internal audit function ("IAF") of the Group was outsourced to Messrs Jeta PLT. The IAF reports directly to the Audit Committee. The roles of the IAF are to review internal control systems implemented by the management and to make recommendations to aid the management in taking appropriate corrective actions.	
<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 (“IAF”) was outsourced to Messrs Jeta PLT for the financial year 2023.</p> <p>The IAF personnel, whose names and qualifications are disclosed in the Annual Report 2023 are free from any relationship or conflict of interest which could impair their objectivity and independence.</p> <p>The activities of the IAF are also disclosed in the Annual Report 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 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 ensures effective dissemination of corporate and financial disclosures to the Company's stakeholders via the following means:</p> <ol style="list-style-type: none"><li>1. Despatching the Group's Annual Report and circulars to shareholders (if any);</li><li>2. Timely release of the Group's Quarterly Results announcements, circular to shareholders (if any) and other announcements to the regulatory authorities namely Bursa Securities;</li><li>3. Accessibility of the Group's Annual Report, Quarterly Results announcements, circular to shareholders (if any) and other announcements through the Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> as well as the Company's website at <a href="http://www.kretam.com">www.kretam.com</a>;</li><li>4. Bursa Securities Link, whereby queries from Bursa Securities are addressed in a timely manner;</li><li>5. Notifying shareholders of dates of AGM and other general meetings in the printed media and on the Bursa Securities' website to ensure communication with the shareholders;</li><li>6. Holding dialogues with shareholders at the AGM and other general meetings and with stakeholders at forums on the Company's business and policies on the environment and sustainability; and</li><li>7. The Company's website through which the shareholders and the stakeholders can have access to information or to forward their queries pertaining to the Group.</li></ol>
<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>	:		
<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 Company despatched the Notice of the 35<sup>th</sup> Annual General Meeting (“AGM”) more than 28 days prior to the meeting despite Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of the Main Market Listing Requirements which call for a 21-day notice for a listed issuer.</p> <p>The Notice of the AGM had outlined the resolutions that were tabled at the meeting together with the explanatory notes to the proposed resolutions for clarification to the shareholders so that better informed decisions could be made.</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>	:	<p>The Board acknowledges that the AGM serves as a platform for shareholders to participate in the meeting and provide meaningful responses to their questions. The Board encourages full attendance of the Directors at the AGM. During the proceedings of the last AGM, the Chairman of the meeting had allowed sufficient time to the floor during the questions and answers session. At the last AGM, all the Directors attended the meeting.</p> <p>The Chairmen of the Audit, Nomination, Remuneration and Risk Management Committees were present to address any enquiries directed to them.</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 13.3

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The 35<sup>th</sup> Annual General Meeting was conducted fully physical at the registered office of the Company as the unpredictable disruption and poor internet connection did not support a smooth virtual meeting.</p> <p>The AGM was held in a venue in the urban area easily accessible by private or public transport. The Company relied on the personal attendance of local shareholders and attendance of proxies of shareholders who were unable to attend the AGM or proxies given to the Chairman of the AGM to participate and vote on their behalf in the AGM.</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>	:	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>	: All the shareholders who attended the 35 <sup>th</sup> Annual General Meeting ("AGM") were given sufficient opportunity to raise questions which were not restricted to the Company's financial and non-financial performance.  The full Board comprising the Chairman of the Board, the Executive Directors and the Independent Non-Executive Directors, the Head of Finance and Accounts, the Company Secretary and the External Auditors were all present at the meeting.
<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> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<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>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the 35 <sup>th</sup> Annual General Meeting held on 19 June 2023 was circulated via the Company's website ( <a href="http://www.kretam.com">www.kretam.com</a> ) on 18 July 2023.
<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>	:  

**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.*

Not applicable to Kretam Holdings Berhad.
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