

KRETAM HOLDINGS BERHAD (168285-H)

BOARD CHARTER

1. Introduction

The Board of Directors ("Board") of Kretam Holdings Berhad ("the Company") is responsible for the performance and affairs of the Company and its Group of Companies ("Group"). The Board is also responsible to oversee the Company's corporate governance framework.

2. Purpose of the Board Charter

This Board Charter sets out the roles, responsibilities, operation and processes of the Board and is a source reference and primary induction literature to provide insights to prospective Board members and senior management. It will also assist the Board in the assessment of its own performance and that of its individual Directors.

3. Role and Responsibilities of the Board

All Board members are expected to act in a professional manner and to exercise reasonable care, skill and diligence for a proper purpose and in good faith in the best interest of the Company and the Group.

The Board has full and effective control of the Company including the Management, to carry out the following responsibilities to ensure good performance of the businesses of the Company and the Group and to enhance long-term shareholder value:-

- Reviewing and adopting strategic plans for the Company and the Group;
- Overseeing and evaluating the conduct of the businesses of the Company and the Group to ensure proper management thereof;
- Identifying principal risks and instituting risk management;
- Succession planning for senior management;
- Implementing shareholder communications policy; and
- Reviewing adequacy of internal control systems, management information systems and compliance systems.

The Board members, collectively or individually, have access to all information within the Company.

The Directors may, collectively or individually, in furtherance of their duties seek independent professional advice at the Company's expense when necessary.

The Board meets four (4) times during each financial year, with additional meetings to be convened as and when required.

4. Responsibilities of the Management

The Management is responsible for providing accurate and complete information in a suitable form and in a timely manner to the Board to enable it to discharge its duties effectively. Members of the Management who are not Board members may be invited to attend Board meetings to present reports and matters that are related to the scope of their duties and responsibilities.

5. Role of the Chairman

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.

6. Role of the Chief Executive Officer ("CEO")

The CEO is responsible for the day-to-day management of the operations, financial and corporate matters of the Company and the Group and the implementation of the Board's policies and decisions.

7. Board Committees

The Board delegates certain functions to the following Committees to assist in carrying out its responsibilities:-

- Executive Committee;
- Audit Committee;
- Nomination Committee;
- Remuneration Committee; and
- Risk Management Committee.

Each of the Committees has its own specific terms of reference. The Chairman of the respective Committees reports to the Board on matters which should be resolved by the Board.

8. Company Secretary

The Company Secretary advises the Board on the Directors' responsibilities under the respective laws and regulations and the Company's compliance with the relevant laws and regulatory requirements. The terms of appointment and removal of the Company Secretary is a matter for the Board as a whole.

9. Investor Relations and Communication with Stakeholders

The Board acknowledges the importance of constant communication and effective dissemination of corporate and financial disclosures to the Company's shareholders and the stakeholders and this is conducted through:

- Despatching the Group's Annual Report and circular to shareholders (if any);
- Timely release of the Group's Annual Report, circular to shareholders (if any), Quarterly Results announcements and other announcements to the regulatory authorities namely Bursa Malaysia Securities Berhad ("Bursa Securities");
- Accessibility of the Group's Annual Report, circular to shareholders (if any), Quarterly Results announcements and other announcements through the Bursa Securities' website at www.bursamalaysia.com as well as the Company's website at www.kretam.com;
- Bursa Securities Link, whereby queries from Bursa Securities are addressed in a timely manner;
- Notifying shareholders of dates of Annual General Meeting ("AGM") and other general meetings in the printed media and on the Bursa Securities' website to ensure communication with the shareholders;

- 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
- 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.

At the AGM during which the Company's Auditors are also present, the shareholders are given the opportunity to raise questions or seek information on the resolution being proposed and about the operations in general of the Company and the Group. The Chairman of the Board also addresses the shareholders on the review of the operations of the Company and the Group for the financial year and outlines the prospects of the Company and the Group for the subsequent financial year.

10. Code of Ethics and Conduct

All the Directors and employees of the Company and the Group are to abide by the Code of Ethics and Conduct of the Company and the Group in the following areas:-

- Conflict of interest;
- Confidentiality;
- Protection of Company's assets;
- Compliance with laws;
- Health and safety;
- Environment; and
- Misconduct

11. Review of Board Charter

The Board will review this Board Charter periodically and make any necessary amendments thereto to ensure its consistency with the Board's objectives and policies and changes in corporate laws and regulatory requirements.