

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6297
COMPANY NAME : Box-Pak (Malaysia) Bhd.
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The responsibilities of the Board of Directors of Box-Pak (Malaysia) Bhd. ("Box-Pak" or "the Company") ("Board") are set out in the Board Charter. Further details of the roles and responsibilities of the Board are set out in the Corporate Governance Overview Statement ("CG Overview Statement") in the Annual Report 2021.</p> <p>In discharging its duties, the Board is assisted by the Board Committees namely, the Executive Committee, Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and Sustainability Committee. Each Committee operates within its respective defined Terms of Reference ("TOR") which have been approved by the Board and are set out in the Board Charter. The TOR of the respective Board Committees are periodically reviewed and assessed to ensure that the TOR remain relevant and adequate in governing the functions and responsibilities of the Committee concerned and reflect the latest developments in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("MCCG").</p> <p>Details of the Company's vision, mission, core values and motto are set out in our Company's website at www.boxpak.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	The Chairman holds an Independent Non-Executive position and is primarily responsible for the smooth running of the Board and encourages active participation by Board members and provides reasonable time for discussion of issues raised at meetings. Decisions reached at Board meetings reflect the consensus of the whole Board and not the views of any individual or group. His other responsibilities also include instilling good corporate governance practices. Further details of the responsibilities of the Chairman of the Board are set out in the Board Charter.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board, Datuk Dr. Roslan Bin A. Ghaffar is an Independent Non-Executive Director, while Yeoh Jin Hoe is the Group Managing Director. There is a clear and distinct division of responsibilities between the Chairman and the Group Managing Director to ensure that there is an appropriate balance of power and role, responsibility and accountability at Board level. Their respective responsibilities are set out in the Board Charter.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board, Datuk Dr. Roslan Bin A. Ghaffar vacated office as member of the Nomination Committee ("NC") on 1 September 2021, and henceforth, ceased to participate in the NC meeting.</p> <p>The revised Board Charter of the Company which was approved and adopted on 24 November 2021, includes a statement which stipulates that the Chairman of the Board should not be a member of the Audit and Risk Management Committee ("ARMC"), NC, Remuneration Committee ("RC") or any other Board Committee.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by 2 qualified Company Secretaries, Tan Bee Keng and Kwong Shuk Fong who are both members of The Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries' responsibilities are set out in the Board Charter.</p> <p>Tan Bee Keng has extensive experience in company secretarial and corporate work. She was appointed the Company Secretary of the Company on 31 July 2012. She also serves as Company Secretary for several other public companies listed on the Main Market of Bursa Securities, which are principally involved in the manufacture and distribution of tin cans, aluminium cans and fast moving consumer goods, manufacture and trading of aluminium sheet foil products, property development and construction. Previously, she was the Manager-Group Secretarial of a management company serving a group of listed companies.</p> <p>Kwong Shuk Fong has extensive experience in receivership, liquidation, corporate recovery and reconstruction and company secretarial work having served in both the secretarial services and commercial sectors. Prior to joining the Company in May 2017, she was an Assistant Company Secretary of a public listed company which is involved in distribution of tin cans. Prior to this, her experience was in listed company involved in oil and gas, renewable energy, industrial trading and services.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Prior to the Board meetings, every Director is given an agenda and a comprehensive set of Board papers consisting of reports on Box-Pak and its subsidiaries (“the Group” or “Box-Pak Group”) financial performance, status of major projects, future development, the quarterly or annual financial results, the minutes of preceding meetings of the Board and the Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled. Meetings materials are circulated to the Board and the Board Committees’ members, 5 business days prior to their respective Meetings.</p> <p>The minutes of the said Meetings are circulated and confirmed as a correct record of the proceedings by the Board and the Board Committees at their subsequent respective meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter of the Company serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management.</p> <p>The roles and responsibilities of the Board, the respective Board Committees, the Chairman, Managing Director/Executive Director, Non-Executive Directors, Senior Independent Non-Executive Director, Independent Non-Executive Directors and the Company Secretaries are clearly spelt out in the Board Charter. There is also a "Schedule of Matters Reserved for Collective Decision of the Board" in the Board Charter.</p> <p>The Board Charter of the Company is subject to periodic review and updates by the Board whenever deemed necessary. The Board Charter was reviewed and the revised Board Charter was approved for adoption on 24 November 2021 in line with Practices in the MCCG. It was to ensure its relevance for good corporate governance practices within the Group.</p> <p>The Board Charter is available on the Company's website at www.boxpak.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place the 'Code of Best for Practice' applicable to Directors which sets out the standard of conduct expected of Directors with the aim to cultivate good ethical conduct that in turn promotes the values of governance, compliance, transparency, integrity, accountability and social responsibility.</p> <p>The Company has in place, an Anti-Corruption Policy and Standard Operating Procedure for Anti-Corruption as well as 'The Code of Conduct' ("Code") which are applicable to employees of the Group. The said policy and Code contain policies and guidelines relating to the standards and ethics that all employees are expected to adhere in the course of their work covering among others, the following:</p> <ul style="list-style-type: none"> • compliance with rules and regulations; • conflict of interest; • confidentiality; • safeguarding of the Group's intellectual property and assets; • prevention of abuse of power; and • Anti-Corruption. <p>The said Policy, standard operating procedure and the Code are all available on the Company's website at www.boxpak.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has in place a Whistle Blowing Policy and procedures on whistle blowing.</p> <p>The Whistle Blowing Policy is available on the Company’s website at www.boxpak.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	: Applied
Explanation on application of the practice	<p>: The Board of the Company is responsible for setting the Group’s sustainability strategies. The Governance Structure for Box-Pak’s sustainability management is set out below.</p> <div style="text-align: center;"> <pre> graph TD A[Board of Directors] --- B[Sustainability Committee] B --- C[Sustainability Reporting Executive Committee] C --- D[Sustainability Reporting Officer] </pre> </div> <p>The Board is ultimately responsible for the Group’s sustainability. It ensures that the Group’s business strategies give due considerations to all aspects of sustainability as prescribed by Bursa Securities.</p> <p>The Sustainability Committee establishes, monitors, manages and coordinates the sustainable development strategy of the Group, identifies and assesses together with the line of management, the significant economic, environmental and social matters to ensure the Group remains as a leading responsible company in the industry; and provides suitable steps and appropriate information and controls to identify economic, environmental and social risks to ensure the Group’s business is conducted in a responsible manner.</p>
Explanation for departure	:

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

Intended Outcome

The 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.

Application :	Applied										
Explanation on application of the practice	<p>The Group pursues its economic sustainability, environment sustainability and social sustainability according to the following sustainability principles:</p> <ul style="list-style-type: none"> • Ensuring compliance with all relevant law and regulations applicable to the Group • Embed sustainability practices to the Group's business operations and implementation of business strategies. • Periodically review its sustainability approach and practices for improvement and to ensure the journey aligns with the Group's business objectives. • Continuously engage and communicate with all relevant stakeholders for the identification assessment and management of material sustainability matters. <p>The Group conducts periodic engagement with stakeholders because the Group recognises that their perspectives may be important in helping the Group stay well informed of any key issues or risks that may impact the Group's business.</p> <p>From a stakeholder driven assessment conducted in the fourth quarter of the financial year ended 31 December ("FYE") 2020 by way of a survey to identify the Group's significant economic, environment and social matters that substantially impact and influence the decisions of our stakeholders, the Management had selected 9 key materials matters to focus efforts on and to set targets for 2021 and beyond.</p> <p>The following were the targets reviewed and approved by the Sustainability Committee:</p> <table border="1" data-bbox="432 1603 1426 2024"> <thead> <tr> <th data-bbox="432 1603 596 1664">Sustainability Pillar</th> <th data-bbox="596 1603 850 1664">Key Material Matters</th> <th data-bbox="850 1603 1426 1664">Sustainability Targets</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 1664 596 1787">Economic</td> <td data-bbox="596 1664 850 1787"> <ul style="list-style-type: none"> • Product Safety • Business Ethics • Ethical Sourcing </td> <td data-bbox="850 1664 1426 1787"> <ul style="list-style-type: none"> • Zero product recall from packaging material defects • Zero bribery and corruption cases reported • Procure from suppliers who are ethically compliant </td> </tr> <tr> <td data-bbox="432 1787 596 2024">Environment</td> <td data-bbox="596 1787 850 2024"> <ul style="list-style-type: none"> • Waste Management • Air Quality • Energy & Carbon Emission </td> <td data-bbox="850 1787 1426 2024"> <ul style="list-style-type: none"> • Minimise waste generation. Scheduled waste management compliant with regulatory framework • Air emission consistently meet DOE guidelines • Adoption of solar energy as renewable source for greenfield sites. For Vietnam plant, substitution of coal energy to gas or fuel oil • Energy efficiency will be given high consideration for future machinery and equipment investment </td> </tr> </tbody> </table>		Sustainability Pillar	Key Material Matters	Sustainability Targets	Economic	<ul style="list-style-type: none"> • Product Safety • Business Ethics • Ethical Sourcing 	<ul style="list-style-type: none"> • Zero product recall from packaging material defects • Zero bribery and corruption cases reported • Procure from suppliers who are ethically compliant 	Environment	<ul style="list-style-type: none"> • Waste Management • Air Quality • Energy & Carbon Emission 	<ul style="list-style-type: none"> • Minimise waste generation. Scheduled waste management compliant with regulatory framework • Air emission consistently meet DOE guidelines • Adoption of solar energy as renewable source for greenfield sites. For Vietnam plant, substitution of coal energy to gas or fuel oil • Energy efficiency will be given high consideration for future machinery and equipment investment
Sustainability Pillar	Key Material Matters	Sustainability Targets									
Economic	<ul style="list-style-type: none"> • Product Safety • Business Ethics • Ethical Sourcing 	<ul style="list-style-type: none"> • Zero product recall from packaging material defects • Zero bribery and corruption cases reported • Procure from suppliers who are ethically compliant 									
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	Social	<ul style="list-style-type: none"> * Safety at Workplace * Diversity & Fair Treatment * Employee Engagement 	<ul style="list-style-type: none"> * Zero employee and contractor fatality * Increase female representation by 10% by 2025 * Increase staff retention rate by 3% by 2025 * Improve staff satisfaction rate by 5% by 2025
	<p>Box-Pak Group's journey to sustainability is available on the Company's website at https://www.boxpak.com.my/sustainability.</p>		
Explanation : for departure			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure :			
Timeframe :			

Intended Outcome

The 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.

Application	:	Applied	
Explanation on application of the practice	:	The Board is kept abreast via the bi-yearly Sustainability Reports and meetings with the Group Managing Director; President cum Chief Executive Officer; General Manager of Audit, Risk and Sustainability and other Senior Management staff.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Updates to Directors'/Key Officers' Evaluation Form was made to include setting the Company's sustainability strategies, priorities and targets, and identifying and addressing the material sustainability matters.</p> <p>The NC conducted the evaluations of the Board and Senior Management in November 2021 using the updated Directors'/Key Officers' Evaluation Form.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The 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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>Ho Yik Kit is the General Manager of Audit , Risk and Sustainability of the Group. His responsibilities include overseeing the implementation of the Group’s sustainability strategy, communicates and coordinate with management, shareholders, customers and employees to address sustainability issues relating to environment, social and governance.</p> <p>In 2021, he completed the entry requirements set by the Institute of Certified Sustainability Practitioners (‘ICSP’) and was awarded the designation of Certified Sustainability Practitioner and Certified Sustainability Reporting Specialist. ICSP is a professional association based in Indonesia promoting the best in sustainability practices, research and reporting. He has also completed the Global Reporting Initiative (“GRI”) Standards Certified Training program conducted by GRI Academy.</p> <p>During the FYE 2021 he attended the following:</p> <ul style="list-style-type: none">• Bursa Sustainability Reporting Workshop - Scope & Materiality in Sustainability Reporting.• Bursa New Sustainability Reporting Framework: Framework Review Survey.• Bursa Malaysia Climate Change Thematic Workshop – Measuring and Managing Green House Gas Emissions.• Tricor Driving Sustainability through Digital Governance.• 6th Sustainability Practitioner Conference.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The responsibilities of the NC included among others, to evaluate the effectiveness of the Board and Board Committees (including its size and composition), contribution and performance of each individual Director and the independence of the Independent Directors of the Company on an annual basis.</p> <p>The Chairman of the Board, Datuk Dr. Roslan Bin A. Ghaffar vacated office as a member of the NC on 1 September 2021 and Independent Non-Executive Director, Tan Kim Seng, on the recommendation of the NC, was appointed as a member in his place on even date.</p> <p>On 24 November 2021 and 20 December 2021, the NC recommended to the Board, the appointment of Chua Put Moy and Sharifah Nadia Aljafri as Independent Non-Executive Directors respectively in order to have gender diversity on the Board. Recommendation was also made to limit the tenure of Independent Director to 9 years without further extension.</p> <p>The Independent Directors were assessed via the Independent Directors' Self-Assessment Checklist, while individual Directors and the composition of the Board/Board Committees were assessed using the Directors' Evaluation Form, Board & Board Committee Evaluation Form, Audit & Risk Management Committee Evaluation Form and Performance Evaluation Sheet.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Following the appointments of 2 new Independent Non-Executive Directors viz, Chua Put Moy and Sharifah Nadia Aljafri on 1 December 2021 and 20 December 2021 respectively, the number of Independent Directors on the Board were increased from 5 (62.5%) to 7 (70%). The composition of the Board were henceforth as:</p> <ul style="list-style-type: none"> ➤ 1 Independent Non-Executive Chairman; ➤ 6 Independent Non-Executive Directors; ➤ 1 Non-Independent Non-Executive Director; ➤ 1 Managing Director; and ➤ 1 President cum Chief Executive Officer. <p>The Directors with their differing backgrounds and specialisations collectively bring with them a wide range of experience and expertise in areas such as economic, finance, investment, accounting and audit, marketing, risk management, legal, manufacturing, trading, property development and investment. The profiles of the Directors are disclosed on Pages 13 to 16 of the Annual Report 2021.</p> <p>More than half of the Board comprises Independent Directors which reflects a good measure of objectivity and impartiality. Collectively, they ensure that plans and strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of all shareholders and stakeholders of the Company including employees, customers, suppliers and the local community in which the Group conducts its businesses.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Company has implemented a cumulative 9-year term limit without further extension for Independent Directors via the update of its Board Charter on 24 November 2021.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) is delegated with the responsibility of assessing and considering and recommending to the Board, suitable nominees for appointment as Directors, after taking into consideration, the candidates’ age, race, gender, background capabilities, expertise, experience, character, integrity, professionalism, time commitment and other factors that will best qualify the candidates to serve on the Board of the Company. In the case of candidates for the position of Independent Non-Executive Directors, they must meet the independence criteria defined in the MMLR of Bursa Securities.</p> <p>The Company has in place the Board Diversity Policy which was revised and adopted on 24 November 2021.</p> <p>All the Directors were able to devote the required time to serve the Board in FYE 2021, as shown in the details of the Directors’ attendance at the Board meetings set out in Page 40 of the Annual Report 2021 and the attendance by members at the respective Board Committees meetings as disclosed in Pages 32, 35, 37 and 46 of the Annual Report 2021.</p> <p>Those Directors who did not record full attendance were unable to attend the Board meetings/Board Committee meetings during the period because the Director concerned was under recuperation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Policy on Nomination and Assessment Process of Board members which sets out the process and criteria for selection and assessment of potential candidates for election to the Board of the Company. It is specified in the said Policy that in identifying candidates for appointment as Director, the following approaches will be deployed in sourcing for Board candidates:</p> <ul style="list-style-type: none">➤ Referrals from Board members, management and major shareholders➤ Directors' registry (e.g. Institute of Corporate Directors Malaysia)➤ Industry and professional associations➤ Independent search firms <p>The aforesaid Policy is to be practiced in conjunction with the Board Diversity Policy of the Company.</p> <p>The 2 new candidates, Chua Put Moy and Sharifah Nadia Aljafri who were appointed on 1 December 2021 and 20 December 2021 respectively, were selected from an adequate pool of qualified candidates which the Management and Board members have. The party who recommended them was not involved in the conduct of the screening interview nor the appointment process. The NC screened them using the Due Diligence Checklist which comprises a set of questions on their background information, qualifications, job experience, and their declarations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the retiring Directors viz., Tan Kim Seng and Sharifah Nadia Aljafri are set out in the Profiles of Directors on Pages 15 and 16 of the Company's Annual Report 2021 which include their age, gender, date of appointment, qualification, directorships in other public companies and listed issuers, working experience and occupation, any family relationship with any director and/or major shareholder of Box-Pak and any conflict of interest with the Company.</p> <p>The Board through the Nomination Committee ("NC") had assessed Tan Kim Seng who is standing for re-election at the forthcoming Forty-Eighth AGM which will be held on 28 June 2022 using the Directors' Evaluation Form and the Independent Director Self-Assessment Checklist to assess his independence, calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings and his training records for the financial year ended 31 December 2021. Based on the evaluation results, he met the performance criteria required of an effective Board member.</p> <p>The recommendation for the re-election of Sharifah Nadia Aljafri was based on the prior assessments of the NC and the Board, before her appointment as Director. During the Directors' selection process, she was assessed of her attributes in competency, time commitment and potential contribution.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Tee Keng Hoon, the Senior Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges the importance of Board diversity, including gender diversity, for the effective functioning of the Board.</p> <p>The Board had, on 24 November 2021 approved and adopted the revised Board Diversity Policy by setting the aim of the Company to appoint and/or maintain at least 1 woman participation on the Board. The Policy stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.</p> <p>On 1 December 2021, a female Independent Director, Chua Put Moy was appointed followed by a subsequent appointment of another female Independent Director, Sharifah Nadia Aljafri on 20 December 2021. The female representation on the Board was therefore 20%.</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>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has disclosed the Gender Diversity Policy on Page 39 in the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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>	
Application	: Applied
Explanation on application of the practice	: On 24 November 2021, the NC undertook an evaluation of the Board, Board Committees and each individual Directors. The evaluation was conducted using the Board and Board Committee Evaluation Form, Directors' Evaluation Form and Independent Director Self-Assessment Checklist. The NC, after having conducted the above evaluation and assessment, concluded that: (i) all the 5 Independent Directors of the Company continued to demonstrate conduct and behaviour that were essential indicators of their independence, and that each of them continued to fulfill the definition and criteria of independence as set out in the MMLR of Bursa Securities. (ii) each Director has the requisite competence and caliber to serve on the Board and Board Committees and had continued to demonstrate his commitment to the Company in terms of time, participation and dialogue during the FYE 2021. (iii) the Board and the Board Committees' respective responsibilities were well-defined and set out in the Board Charter of the Company. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the Malaysian Institute of Accountants or a person approved under the MMLR of Bursa Securities is also met. The Board members unanimously concurred with the above conclusions of the NC.
Explanation for departure	:

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

Intended Outcome

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

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	The Company has in place a Remuneration Policy for Directors and Senior Management aimed to create a strong performance-oriented environment, and to attract, develop and retain talent. The Remuneration Policy for Directors and Senior Management is available on the Company's website at www.boxpak.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	The Company has a RC and the RC's Terms of Reference is set out in the Board Charter of the Company which is available on the Company's website at www.boxpak.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure of the remuneration breakdown of each Director on a named basis for FYE 2021 are provided in the following page, and the footnotes thereto are set out herein below: Notes: (1) Chua Put Moy was appointed as Independent Non-Executive Director on 1 December 2021. (2) Sharifah Nadia Aljafri was appointed as Independent Non-Executive Director on 20 December 2021. (3) Salary comprised EIS, EPF and SOCSO. (4) Allowances comprised meeting allowance and travelling allowance.

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	Yeoh Jin Hoe	Executive Director	73.5	46.5	625.3	135.0	-	-	880.3	73.5	46.5	625.3	135.0	-	-	880.3
2	Chee Khay Leong	Executive Director	67.5	46.5	625.3	135.0	-	-	874.3	67.5	46.5	625.3	135.0	-	-	874.3
3	Datuk Dr. Roslan Bin A. Ghaffar	Independent Director	76.0	45.0	-	-	-	-	121.00	76.0	45.0	-	-	-	-	121.0
4	Gong Wooi Teik	Independent Director	90.0	46.5	-	-	-	-	136.5	90.0	46.5	-	-	-	-	136.5
5	Tee Keng Hoon	Independent Director	90.0	46.5	-	-	-	-	136.5	90.0	46.5	-	-	-	-	136.5
6	Tuan Ngah @ Syed Ahmad Bin Tuan Baru	Independent Director	90.0	43.5	-	-	-	-	133.5	90.0	43.5	-	-	-	-	133.5
7	Tan Kim Seng	Independent Director	62.0	46.5	-	-	-	-	108.5	62.0	46.5	-	-	-	-	108.5
8	Keith Christopher Yeoh Min Kit	Non-Executive Non-Independent Director	73.5	46.5	-	-	-	-	120.0	73.5	46.5	-	-	-	-	120.0
9	Chua Put Moy	Independent Director	5.1	-	-	-	-	-	5.1	5.1	-	-	-	-	-	5.1
10	Sharifah Nadia Aljafri	Independent Director	2.0	-	-	-	-	-	2.0	2.0	-	-	-	-	-	2.0
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	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 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board considered the information of the remuneration of the top 5 Senior Management personnel to be sensitive and proprietary in view of the competitive nature of the human resource market and such confidentiality supports the Company's efforts to attract and retain executive talent.</p> <p>The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the disclosures of their remuneration in categories and bands of RM50,000 as disclosed in Page 34 of the Annual Report 2021 under the CG Overview Statement.</p> <p>The Board ensures that the remuneration of the Senior Management commensurate with the overall performance of the Group and the general economic situation, with due consideration to attract, retain and motivate Senior Management to lead and run the Group successfully.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the ARMC is Gong Wooi Teik while the Chairman of the Board is Datuk Dr. Roslan Bin A. Ghaffar.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	The policy that requires a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee is stipulated in the existing Terms of Reference of the ARMC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place the External Auditors' Assessment Policy and had carried out an annual assessment on the performance, suitability and independence of the external auditors based on the following 6 keys areas:</p> <ul style="list-style-type: none"> (a) competence and quality of service; (b) sufficiency of resources; (c) ability to meet deadlines and responding to issues in a timely manner; (d) communication and interaction with the Management; (e) independence, objectivity and professionalism; and (f) whether there are any reprimand or sanction imposed by Audit Oversight Board. <p>The External Auditors' Assessment Policy is available on the Company's website at www.boxpak.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC of the Company consists entirely of Independent Directors. They are: <ol style="list-style-type: none">1. Gong Wooi Teik (Chairman)2. Tee Keng Hoon (Member)3. Tuan Ngah @ Syed Ahmad Bin Tuan Baru (Member)

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.

Application	:	Applied	
Explanation on application of the practice	:	The members of the ARMC possess the necessary skills to discharge their duties and are financially literate. The profiles of the ARMC Chairman, Gong Wooi Teik and ARMC member, Tuan Ngah @ Syed Ahmad Bin Tuan Baru are provided on Page 15 of the Annual Report 2021. Another ARMC member, Tee Keng Hoon's profile is set out in Page 14 of the Annual Report 2021. Details of webinars, conferences and dialogues attended/participated by each of them during FYE 2021 are disclosed in Pages 41 to 42 of the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks. The details of the framework are disclosed in the Statement on Risk Management and Internal Control on Pages 49 to 52 of the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The key features of the Risk Management Framework and Board’s disclosure of the adequacy and effectiveness of the framework are set out in the Statement on Risk Management and Internal Control on Page 49 of the Annual Report 2021.</p> <p>Key features of the risk management framework are:</p> <ul style="list-style-type: none"> (a) The Group has set-up a Risk Management Working Group (“RMWG”) to assist the ARMC in establishing an enterprise risk management (“ERM”) framework; (b) The RMWG comprises the President cum Chief Executive Officer (“CEO”), Group Finance Director (as Chairperson), Non-Independent Non-Executive Director, Director-Group Executive Management Office, General Manager of Risk, Audit & Sustainability and the General Manager of the respective Business Divisions; (c) The RMWG conducts annual review of the ERM framework and its processes; (d) Any significant risk(s) that requires the Board’s attention will be highlighted via the RMWG Report; and (e) Key risks highlighted in RMWG Report will be used by internal audit in developing internal audit plan.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group internal audit function is performed by the Group Internal Audit Department. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal controls. The Internal Audit Manager has direct access to both the ARMC and the Chairman of the ARMC, and reports to the ARMC on a quarterly basis on all matters of internal control and audit.</p> <p>Details of the Internal Audit function are set out on Page 46 and Page 50 of the Annual Report 2021.</p> <p>For FYE 2021, internal audit reviews were carried out in accordance with the Group's internal audit plan approved by the ARMC. Significant audit findings together with management responses and proposed actions plans were presented to ARMC. The internal audit function also follows up and reports to the ARMC on whether the corrective action plans to address the control weaknesses have been satisfactorily implemented by Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The total number of auditors in the Group Internal Audit Department during the FYE 2021 was 8. Recruitment will be done on a needs basis, depending on the quantum and scope of work required and planned.</p> <p>The Internal Audit Manager, Chandran A/L Kottamuthu holds a Degree in Business Admin (Hons) from Universiti Utara Malaysia, Diploma in Planning and Strategic Management and is a Certified System Investigator (“CSI”). He has many years of internal audit experience working in the manufacturing and retail industries.</p> <p>None of the internal auditors has family relationship with any Director and/or major shareholder of the Company.</p> <p>The Group Internal Audit Department governs itself by adhering to the Institute of Internal Auditors’ International Professional Practices Framework (“IPPF”). In addition, the Group Internal Audit Department will maintain a quality assurance and improvement program that cover all aspects of the internal audit activity (including ongoing internal assessments and external assessments) in order to meet the IPPF standard requirements.</p> <p>The Internal Audit function adopts a risk-based approach in developing its audit plan and addresses key audit areas of the Group based on their risk profile. Ad-hoc investigations and special reviews are also carried out when requested.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Group's latest financial performance and material business/ corporate matters affecting the Company are made available to shareholders and investors through the Company's Annual Reports, the various disclosures and announcements made by the Company to Bursa Securities and the Company's website at www.boxpak.com.my . The AGM provides the principal platform for dialogue and interactions with the shareholders on an annual basis.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	At least 28 days' notice period was given in respect of the Company's Forty-Seventh AGM which was held on 23 June 2021. The notice convening the said AGM was dated 28 April 2021. Likewise, at least 28 days' notice period will be given for the forthcoming Forty-Eighth AGM on 28 June 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	At the Company's Forty-Seventh AGM which was held on 23 June 2021, all the Directors of the Company participated at the said AGM remotely. The Board members who are also Chairman of the Board Committees have always been present at the AGM to respond to questions raised by the shareholders if addressed to them.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company held its Forty-Seventh AGM on 23 June 2021 fully virtual and live-streamed from the broadcast venue. This had allowed shareholders to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely via the Remote Participation and Voting (“RPV”) facilities provided by our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor” or “TIIH”) through its TIIH Online website at https://tiih.online.</p> <p>The Company will again conduct its forthcoming Forty-Eighth AGM in 28 June 2022 fully virtual and live-streamed from the broadcast venue.</p> <p>The virtual AGM is in compliance with the Company’s Constitution, Companies Act 2016 and other legal requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: Shareholders of the Company were given sufficient opportunity to pose their questions commencing 28 April 2021 before the Company's Forty-Seventh AGM on 23 June 2021 and during the said AGM. The Company had made available the Administrative Details for the Forty-Seventh AGM in the Annual Report 2020 and on its website, which includes the steps to submit questions for the Board before the AGM and during the AGM via TIH Online. During the Forty-Seventh AGM, the Chairman of the Board had also informed the shareholders that they could raise questions in real time by transmitting their questions via the RPV facilities provided by TIH through its TIH Online website at https://tiah.online . All the questions from shareholders were addressed by the Chairman of the Board, Group Managing Director, President cum Chief Executive Office, Group Chief Financial Officer, after the conclusion of the agendas of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 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>	
Application	: Applied
Explanation on application of the practice	: <p>RAHS Event Sdn Bhd was engaged to provide the audio and visual support services to broadcast the proceedings of the Forty-Seventh AGM of the Company virtually. In view of the COVID-19 pandemic and having regard for the well-being and safety of the shareholders, the Forty-Seventh AGM was conducted fully virtual on the Online Meeting Platform provided by our Share Registrar, TIIH.</p> <p>The Poll Administrator, TIIH had verified the eligibility of shareholders/corporate representatives/proxies to attend the Forty-Seventh AGM based on the General Meeting Record of Depositors as at 15 June 2021 and upon the cut-off date and time for proxy form submission. This online platform was secured exclusively for the members with approved registration for the RPV at the Forty-Seventh AGM.</p> <p>Each questions received from shareholders before and during the AGM were broadcasted to all meeting participants during the Question and Answer Session, as and when the Chairman of the Board, President cum CEO and the Group Chief Financial Officer provided their responses to the respective questions accordingly in an orderly manner. Additional questions from shareholders received during the 30 minutes Polling Session were addressed before the announcement of results.</p> <p>The poll results of the Forty-Seventh AGM were verified by the Scrutineers, Quantegic Services Sdn Bhd and the results of the poll were displayed on the screen when the Chairman of the Board declared that all the resolutions were duly carried.</p>
Explanation for departure	:

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

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: The Minutes of Forty-Seventh AGM which was held on 23 June 2021 was posted on the Company's website on 23 July 2021.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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