

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6297  
**COMPANY NAME** : Box-Pak (Malaysia) Bhd.  
**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 responsibilities of the Board of Directors of Box-Pak (Malaysia) Bhd. ("<b>Box-Pak</b>" or "<b>the Company</b>") ("<b>Board</b>") 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 ("<b>CG Overview Statement</b>") in the Annual Report 2023.</p> <p>In discharging its duties, the Board is assisted by the Board Committees namely, the Executive Committee, Audit and Risk Management Committee ("<b>ARMC</b>"), Remuneration Committee ("<b>RC</b>"), Nomination Committee ("<b>NC</b>") and Sustainability Committee ("<b>SC</b>"). Each Committee operates within its respective defined Terms of Reference ("<b>TOR</b>") 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 ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") and the Malaysian Code on Corporate Governance ("<b>MCCG</b>").</p> <p>Details of the Company's vision, mission, core values and motto are set out in the Company's website at <a href="http://www.boxpak.com.my">www.boxpak.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

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

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

**Practice 1.2**

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 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.</p> <p>Further details of the responsibilities of the Chairman of the Board are set out in the Board Charter.</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 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The 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.	
<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> :	<p>The Chairman of the Board, Datuk Dr. Roslan Bin A. Ghaffar does not hold any position in the ARMC, NC, RC, SC or any other Board Committee, and neither does he participate in any or all of these Committees' meetings.</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 ARMC, NC, RC or any other Board Committee.</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 1.5

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 current Company Secretaries of Box-Pak, Lydia Tong Yiu Shyian-Shyian and Kwong Shuk Fong are qualified to act as company secretaries under Section 235(2) of the Companies Act ("CA") 2016. All secretaries are also registered with the Companies Commission of Malaysia under Section 241 of the CA 2016 and are issued with practising certificates by the Registrar of Companies.</p> <p>Lydia Tong Yiu Shyian-Shyian holds a LLM in Professional Legal Practice from City Law School, London (UK) (2010), and a LLB (Honours) degree from University of Reading, (UK) (2008). She was called to The Honourable Society of Lincoln's Inn, UK in 2009 and the Malaysian Bar in 2010 and is a member of Bar Council. She was a partner in a law firm from September 2015 to December 2022 in General Litigation and Conveying Practice.</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. She is a member of The Malaysian Institute of Chartered Secretaries and Administrators and a Chartered Governance Professional under the Chartered Governance Institute.</p> <p>The Company Secretaries' responsibilities are set out in the Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

**Practice 1.6**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>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 (“<b>the Group</b>” or “<b>Box-Pak Group</b>”) financial performance, the Group’s profitability improvement and actions plan, status of major projects, future development, the quarterly or annual financial results, internal audit reports, 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>	
<b>Explanation for departure</b>	:		
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<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of the Company 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 (“ED”), 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 updated on 30 November 2023 in line with the MMLR of Bursa Securities. 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 <a href="http://www.boxpak.com.my">www.boxpak.com.my</a>.</p>
<b>Explanation for departure</b>	:	
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<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 Company has in place the 'Code of Ethics' 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' ("<b>Code</b>") 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"> <li>• compliance with rules and regulations;</li> <li>• conflict of interest;</li> <li>• confidentiality;</li> <li>• safeguarding of the Group's intellectual property and assets;</li> <li>• prevention of abuse of power; and</li> <li>• Anti-Corruption.</li> </ul> <p>The said Policy, standard operating procedure and the Code are all available on the Company's website at <a href="http://www.boxpak.com.my">www.boxpak.com.my</a>.</p>
<b>Explanation for departure</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>	:	<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 <a href="http://www.boypak.com.my">www.boypak.com.my</a>.</p>	
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<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>: The Board 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 Working Groups]             </pre> </div> <p>The Board is ultimately responsible for the Group’s sustainability. It assumes overall responsibility for and oversight of the Group’s sustainability agenda.</p> <p>The Sustainability Committee and Sustainability Reporting Executive Committee are members of Board. It supports the Board’s oversight of the Group’s sustainability related topics; evaluates and advise the Board on sustainability strategies, policies relating to sustainability practices and initiatives and priorities; aligns sustainability strategy to long term business growth and goals; and receives updates and advise Board on sustainability matter half yearly.</p>

	Sustainability Working Groups comprise cross functional representatives from senior and middle management across the Group entities. It involves day-to-day implementation of the strategies, policies, initiatives, and plans; maintain data records, monitor and report on progress to Sustainability Reporting Executive Committee and provide guide and support the companies within the Group on sustainability related matters.	
<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>		
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## Intended Outcome

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

## Practice 4.2

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

<b>Application</b> :	Applied														
<b>Explanation on application of the practice</b>	<p>The Group's approach to sustainability is underpinned by a robust governance structure where the Board together with the Sustainability Committee evaluate and approve the strategies and initiatives to instil a sustainability culture and practices throughout the Group.</p> <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>The Group current materiality assessment is based on a stakeholder survey conducted in Fourth Quarter of financial year ended 31 December ("FYE") 2020. The Group aim to carry out a comprehensive materiality assessment once every 3 years.</p> <p>The following were the Group's key targets and progress to-date:</p> <table border="1" data-bbox="432 1182 1406 1939"> <thead> <tr> <th data-bbox="432 1182 592 1263">Material Matters</th> <th data-bbox="592 1182 932 1263">Targets</th> <th data-bbox="932 1182 1406 1263">Current progress against targets</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 1263 592 1397">Product Innovation</td> <td data-bbox="592 1263 932 1397"> <ul style="list-style-type: none"> <li>➤ Zero product recall from packaging material defects</li> </ul> </td> <td data-bbox="932 1263 1406 1397"> <ul style="list-style-type: none"> <li>• No product recall cases were reported or received for the FYE 2023</li> </ul> </td> </tr> <tr> <td data-bbox="432 1397 592 1648">Governance and Ethics</td> <td data-bbox="592 1397 932 1648"> <ul style="list-style-type: none"> <li>➤ Zero bribery and corruption cases reported</li> <li>➤ Procure from ethically compliant suppliers</li> </ul> </td> <td data-bbox="932 1397 1406 1648"> <ul style="list-style-type: none"> <li>• No corruption, bribery, or unethical business conduct cases for FYE 2023</li> <li>• In FYE 2023, 79 suppliers underwent the Group's self-assessment questionnaire on ethical business practices</li> <li>• No complaints received on human rights violations</li> </ul> </td> </tr> <tr> <td data-bbox="432 1648 592 1939">Responsible Waste Management</td> <td data-bbox="592 1648 932 1939"> <ul style="list-style-type: none"> <li>➤ Minimise waste generation</li> <li>➤ Scheduled waste management compliant with regulatory framework</li> </ul> </td> <td data-bbox="932 1648 1406 1939"> <ul style="list-style-type: none"> <li>• Scheduled waste management at all the Group's plants complied with the respective country's regulatory framework in FYE 2023</li> <li>• No violations or summons received in FYE 2023</li> <li>• 96% of waste was recyclable</li> </ul> </td> </tr> </tbody> </table>			Material Matters	Targets	Current progress against targets	Product Innovation	<ul style="list-style-type: none"> <li>➤ Zero product recall from packaging material defects</li> </ul>	<ul style="list-style-type: none"> <li>• No product recall cases were reported or received for the FYE 2023</li> </ul>	Governance and Ethics	<ul style="list-style-type: none"> <li>➤ Zero bribery and corruption cases reported</li> <li>➤ Procure from ethically compliant suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• No corruption, bribery, or unethical business conduct cases for FYE 2023</li> <li>• In FYE 2023, 79 suppliers underwent the Group's self-assessment questionnaire on ethical business practices</li> <li>• No complaints received on human rights violations</li> </ul>	Responsible Waste Management	<ul style="list-style-type: none"> <li>➤ Minimise waste generation</li> <li>➤ Scheduled waste management compliant with regulatory framework</li> </ul>	<ul style="list-style-type: none"> <li>• Scheduled waste management at all the Group's plants complied with the respective country's regulatory framework in FYE 2023</li> <li>• No violations or summons received in FYE 2023</li> <li>• 96% of waste was recyclable</li> </ul>
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	Material Matters	Targets	Current progress against targets
	Climate Change	<ul style="list-style-type: none"> <li>➤ Air emissions consistently meet Department of Environment guidelines</li> <li>➤ Adoption of solar energy as a renewable source for greenfield sites. For Vietnam plants, the substitution of coal energy for a greener source</li> <li>➤ Energy efficiency will be given high consideration for future machinery and equipment investment</li> <li>➤ Net zero by year 2050</li> </ul>	<ul style="list-style-type: none"> <li>• All the Group's plants' chimneys stack emission monitoring was within the limit set by the respective country's Environmental Quality Act</li> <li>• Vietnam plants completed the transition from coal to biomass energy in FYE 2023. Emissions (coal and biomass) at Ho Chi Minh City plant reduced by 82% and Hanoi plant by 35%. Overall Vietnam plants intensity (coal and biomass) reduced by 69%</li> <li>• Malaysia plants' subscription to Green Electricity Tariff avoided 9% ton of carbon dioxide equivalent (tCO<sub>2</sub>e) in FYE 2023</li> </ul>
	Occupational Health and Safety	<ul style="list-style-type: none"> <li>➤ Zero employees and contractor fatality</li> </ul>	<ul style="list-style-type: none"> <li>• No fatalities were recorded for employees and contractors in FYE 2023</li> </ul>
	Diversity & Fair Treatment	<ul style="list-style-type: none"> <li>➤ Increase female representation by 10% by 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Female workforce: 26%. At management level: 49%</li> </ul>
	Employee Engagement	<ul style="list-style-type: none"> <li>➤ Increase staff retention rate by 3% by 2025</li> <li>➤ Improve staff satisfaction rate by 5% by 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Staff turnover rate for FYE 2023: 5.24%</li> <li>• The last staff satisfaction survey (September 2021) scored 74%. The next survey will be carried out in the First Quarter of FYE 2024</li> </ul>
<b>Explanation for departure</b>			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>			
<b>Timeframe</b>			



**Intended Outcome**

The 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 is kept abreast via the bi-yearly Sustainability Reports and meetings with the Group Managing Director; President cum Chief Executive Officer (“CEO”) (retired on 6 November 2023); General Manager of Audit, Risk and Sustainability and other Senior Management staff.	
<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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>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 2023 using the Directors’/Key Officers’ Evaluation Form.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.5- 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>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: 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.  He is a member of the Institute of Certified Sustainability Practitioners, International Society of Sustainability Professionals and is a Certified Sustainability Practitioner. He is also a member of Malaysian Institute of Accountants (“ <b>MIA</b> ”).  During the FYE 2023 he attended the following: <ul style="list-style-type: none"><li>• Bursa PLCT#digital4ESG Forum.</li><li>• HSBC Sustainability in Action: How environmental, social, and governance (“<b>ESG</b>”) Ratings and Green Supply Chain are driving change.</li><li>• CIMB: The Cooler Earth. Sustainability in Action. Opportunities for a better tomorrow.</li><li>• Selangor Human Resource Development Centre: ESG for Sustainable Manufacturing Training and Assessment.</li><li>• KPMG Tax and Business Summit.</li></ul>

## Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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>On November 2023, the NC recommended to the Board, the appointment of Tan Kim Seng as a member of the Sustainability Committee of the Company with effect from 30 November 2023, in place of Chee Khay Leong, who retires on 6 November 2023.</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'/Key Officers' Evaluation Form, Board &amp; Board Committee Evaluation Form, Audit &amp; Risk Management Committee Evaluation Form and Performance Evaluation Sheet - Board Committees. NC also conducted the Conflict of Interest assessment of each individual Director.</p> <p>The NC, after having conducted the abovementioned evaluation and assessment on 30 November 2023, concluded that each Director has the requisite competence, calibre to serve on the Board and Board Committees and had demonstrated his/her commitment to the Group in terms of time, participation and dialogue during the current year under review.</p> <p>Independent Non-Executive Directors, Datuk Dr. Roslan Bin A. Ghaffar; Tuan Ngah @ Syed Ahmad Bin Tuan Baru and Group Managing Director, Yeoh Jin Hoe are due to retire by rotation at the conclusion of the forthcoming Fiftieth Annual General Meeting ("<b>AGM</b>") of the Company on 25 June 2024 pursuant to Clause 82 of the Company's Constitution.</p> <p>Both Datuk Dr. Roslan Bin A. Ghaffar and Tuan Ngah @ Syed Ahmad Bin Tuan Baru have served the Board since May 2015 and had formally indicated that they will retire at the conclusion of the Fiftieth AGM in compliance with MCCG and the Board Charter of the Company, that the tenure of an independent director shall not exceed a cumulative term limit of 9 years.</p> <p>The NC had endorsed the re-election of Director, Yeoh Jin Hoe, who is due to retire by rotation at the conclusion of the Fiftieth AGM of the Company to be held on 25 June 2024 pursuant to Clause 82 of the Company's Constitution.</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 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2023, the number of Independent Directors on the Board were 5 (71.4%). The composition of the Board were henceforth as:</p> <ul style="list-style-type: none"> <li>➤ 1 Independent Non-Executive Chairman;</li> <li>➤ 4 Independent Non-Executive Directors;</li> <li>➤ 1 Non-Independent Non-Executive Director; and</li> <li>➤ 1 Managing Director.</li> </ul> <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 2023.</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>
<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>	:	Not applicable - Step Up 5.4 adopted	
<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**

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>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 2023, as shown in the details of the Directors' attendance at the Board meetings set out in Page 67 of the Annual Report 2023 and the attendance by members at the respective Board Committees meetings as disclosed in Pages 59, 62, 64 and 71 of the Annual Report 2023.</p> <p>All the current Directors of the Company do not hold existing board positions in more than 5 listed companies.</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

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>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>➤ Referrals from Board members, management and major shareholders</li><li>➤ Directors' registry (e.g. Institute of Corporate Directors Malaysia)</li><li>➤ Industry and professional associations</li><li>➤ Independent search firms</li></ul> <p>The aforesaid Policy is to be practiced in conjunction with the Board Diversity Policy of the Company.</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 5.7

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>The profiles of the retiring Director, Yeoh Jin Hoe is set out in the Profiles of Directors on Page 13 of the Company's Annual Report 2023 which include his 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 or potential conflict of interest, including interest in any competing business with Box-Pak or its subsidiaries.</p> <p>The Board has also provided a statement and the reasons in the Explanatory Notes to Notice of the Fiftieth AGM of the Company dated 29 April 2024, to support the re-election of Yeoh Jin Hoe, who is due to retire at the said AGM.</p> <p>The Board through the NC had assessed Yeoh Jin Hoe who is standing for re-election at the forthcoming Fiftieth AGM which will be held on 25 June 2024 using the Directors'/Key Officers' Evaluation Form, Board &amp; Board Committee Evaluation Form, Performance Evaluation Sheet - Board Committees and Conflict of Interest Assessment Form, to assess his 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 2023.</p> <p>Based on the evaluation results, the aforesaid retiring Director, Yeoh Jin Hoe met the performance criteria required of an effective member of the Board.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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 NC is chaired by Tan Kim Seng, the Senior 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>	:	The Board acknowledges the importance of Board diversity, including gender diversity, for the effective functioning of the Board.	
		The Board had, on 24 November 2021 approved and adopted the revised Board Diversity Policy to set the target and timeframe for the Company to achieve at least 30% woman participation on the Board by 2023. 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.	
		The Company will put greater effort into looking for suitable candidates for appointment to the Board to achieve its target and will work towards having the appropriate age and ethnic diversity on the Board.	
<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>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the Gender Diversity Policy on Page 66 in the Annual Report 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

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>	: On 30 November 2023, the NC undertook an evaluation of the Board, Board Committees and each individual Directors. The evaluation was conducted using the Independent Directors' Self-Assessment Checklist, Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, ARMC Evaluation Form, Performance Evaluation Sheet - Board Committees and Conflict of Interest Assessment Form.  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/her commitment to the Company in terms of time, participation and dialogue during the FYE 2023.  (iii) none of the Director of the Company have conflict of interest with the Company and/or the Group.  (iv) 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 MIA 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.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 7.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has 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.</p> <p>The Remuneration Policy for Directors and Senior Management is available on the Company’s website at <a href="http://www.boxpak.com.my">www.boxpak.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 7.2**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	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 <a href="http://www.boxpak.com.my">www.boxpak.com.my</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 of the remuneration breakdown of each Director on a named basis for FYE 2023 are provided in the following page, and the footnotes thereto are set out herein below:  Notes:  * Retired as President cum CEO and ED on 6 November 2023. (1) Salary includes EIS, EPF and SOCSO. (2) 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	66.0	9.0	615.6	90.0	-	-	780.6	66.0	9.0	615.6	90.0	-	-	780.6
2	Chee Khay Leong *	Executive Director	51.0	7.5	598.0	114.5	-	-	771.0	51.0	7.5	598.0	114.5	-	-	771.0
3	Datuk Dr. Roslan Bin A. Ghaffar	Independent Director	72.0	9.0	-	-	-	-	81.0	72.0	9.0	-	-	-	-	81.0
4	Tan Kim Seng	Independent Director	96.0	9.0	-	-	-	-	105.0	96.0	9.0	-	-	-	-	105.0
5	Tuan Ngah @ Syed Ahmad Bin Tuan Baru	Independent Director	90.0	9.0	-	-	-	-	99.0	90.0	9.0	-	-	-	-	99.0
6	Keith Christopher Yeoh Min Kit	Non-Executive Non-Independent Director	66.0	9.0	-	-	-	-	75.0	66.0	9.0	-	-	-	-	75.0
7	Foo Kee Fatt	Independent Director	84.0	9.0	-	-	-	-	93.0	84.0	9.0	-	-	-	-	93.0
8	Sharifah Nadia Aljafri	Independent Director	66.0	9.0	-	-	-	-	75.0	66.0	9.0	-	-	-	-	75.0
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<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 61 of the Annual Report 2023 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>		
<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>	:	The Chairman of the ARMC is Foo Kee Fatt while the Chairman of the Board is Datuk Dr. Roslan Bin A. Ghaffar.	
<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 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.	
<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 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"><li>(a) competence and quality of service;</li><li>(b) sufficiency of resources;</li><li>(c) ability to meet deadlines and responding to issues in a timely manner;</li><li>(d) communication and interaction with the Management;</li><li>(e) independence, objectivity and professionalism; and</li><li>(f) whether there are any reprimand or sanction imposed by Audit Oversight Board.</li></ul> <p>The External Auditors' Assessment Policy is available on the Company's website at <a href="http://www.boypak.com.my">www.boypak.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is 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 ARMC of the Company consists entirely of Independent Directors. They are:  <ol style="list-style-type: none"><li>1. Foo Kee Fatt (Chairman)</li><li>2. Tan Kim Seng (Member)</li><li>3. Tuan Ngah @ Syed Ahmad Bin Tuan Baru (Member)</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>The members of the ARMC possess the necessary skills to discharge their duties and are financially literate. The profile of the ARMC Chairman, Foo Kee Fatt and ARMC member, Tuan Ngah @ Syed Ahmad Bin Tuan Baru is provided on Page 15 of the Annual Report 2023 while the ARMC member, Tan Kim Seng's profile is set out in Page 14 of the Annual Report 2023.</p> <p>Details of webinars, conferences and dialogues attended/participated by each of them during FYE 2023 are disclosed in Pages 67 and 68 of 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**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The 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 74 to 77 of the Annual Report 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

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 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 74 of the Annual Report 2023.</p> <p>Key features of the risk management framework are:</p> <ul style="list-style-type: none"> <li>(a) The Group has set-up a Risk Management Working Group (“<b>RMWG</b>”) to assist the ARMC in establishing an enterprise risk management (“<b>ERM</b>”) framework;</li> <li>(b) The RMWG comprises the Group Finance Director (as Chairperson), Non-Independent Non-Executive Director, Director - Group Executive Management Office, General Manager - Risk, Audit and Sustainability and the General Manager of the respective Business Divisions;</li> <li>(c) The RMWG conducts annual review of the ERM framework and its processes;</li> <li>(d) Any significant risk(s) that requires the Board’s attention will be highlighted via the RMWG Report; and</li> <li>(e) Key risks highlighted in RMWG Report will be used by internal audit in developing internal audit plan.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<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>	:	

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group 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 Pages 71 and 72 and Page 75 of the Annual Report 2023.</p> <p>For FYE 2023, 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>	
<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 total number of auditors in the Group Internal Audit Department during the FYE 2023 was 7. 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 (“<b>CSI</b>”). 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 (“<b>IPPF</b>”). 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> <p>During FYE 2023, an external audit firm, Messrs. RSM Vietnam Auditing and Consulting Co. Ltd. was engaged to assess and confirm the adequacy and effectiveness of the internal control system in the Payroll, Corporate Governance and Other General Control, and Financial Reporting Control of the subsidiary in Vietnam. Total fees paid were RM29,544 inclusive of (RM2,686 value added tax of 10%).</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>	:	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 <a href="http://www.boypak.com.my">www.boypak.com.my</a> .  The AGM provides the principal platform for dialogue and interactions with the shareholders on an annual basis.
<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>At least 28 days' notice period was given in respect of the Company's Forty-Ninth AGM which was held on 27 June 2023. The notice convening the said AGM was dated 27 April 2023.</p> <p>Likewise, at least 28 days' notice period will be given for the forthcoming Fiftieth AGM on 29 April 2024.</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>At the Company's Forty-Ninth AGM which was held on 27 June 2023, the Directors of the Company participated at the said AGM virtually and live streamed from the broadcast venue.</p> <p>Barring any unforeseen circumstances, all the Directors have confirmed their attendance and participation for the forthcoming Fiftieth AGM which will be conducted virtually and live-streamed from the broadcast venue on 25 June 2024.</p> <p>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.</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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company held its Forty-Ninth AGM on 27 June 2023 virtually and live-streamed from the broadcast venue. This had allowed shareholders to attend, ask questions to the Board via real time submission of typed texts and vote remotely (collectively, “participate”) via the Remote Participation and Electronic Voting (“RPEV”) facilities provided by the Company’s poll administrator, KPMG Management &amp; Risk Consulting Sdn. Bhd. (“KPMG MRC”) via its ConveneAGM Meeting Platform at <a href="https://conveneagm.my/boxpakagm2023">https://conveneagm.my/boxpakagm2023</a>.</p> <p>The Company will again conduct its forthcoming Fiftieth AGM on 25 June 2024 virtually and live-streamed from the broadcast venue.</p> <p>The virtual AGM is in compliance with the Company’s Constitution, CA 2016 and other legal 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

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>	: Shareholders of the Company were given sufficient opportunity to pose their questions commencing 27 April 2023 before the Company's Forty-Ninth AGM on 27 June 2023 and during the said AGM.  The Company had made available the Administrative Details for the Forty-Ninth AGM in the Annual Report 2022 and/or Circular to shareholders as well as on its website, which includes the steps to submit questions for the Board before the AGM and during the AGM via KPMG MRC's ConveneAGM Meeting Platform.  During the Forty-Ninth AGM, the Chairman of the Board had also informed the shareholders that they could raise questions in real time by transmitting their questions their questions via the RPEV facilities provided by KPMG MRC via ConveneAGM Meeting Platform at <a href="https://conveneagm.my/boxpakagm2023">https://conveneagm.my/boxpakagm2023</a> .  All the questions from shareholders were addressed by the Chairman of the Board and Group Finance Director, after the conclusion of the agendas of the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Poll Administrator, KPMG MRC had verified the eligibility of shareholders/corporate representatives/proxies to attend the Forty-Ninth AGM based on the General Meeting Record of Depositors as at 19 June 2023 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 RPEV at the Forty-Ninth 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 and the Group Finance Director provided their responses to the respective questions accordingly in an orderly manner. Additional questions from shareholders received during the 10 minutes Polling Session were addressed before the announcement of results.</p> <p>The poll results of the Forty-Ninth 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>
<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**

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 Forty-Ninth AGM which was held on 27 June 2023 was posted on the Company's website on 21 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.*

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