

GOVERNANCE

Corporate Governance

Master-Pack Group is committed to the principles and best practices of corporate governance as laid out in the Bursa Malaysia Listing Requirements and MCCG. We ensure that the standards of corporate governance are being observed throughout the Group with the objective of enhancing long-term shareholders' value and returns to our stakeholders. The Group believes that good corporate governance is essential to operate any business.

Our policies and standard operating procedures are reviewed and updated regularly to be in line with the latest change in laws and regulations and bench mark to industry best practices to ensure that our corporate governance structure meets the challenges of changing business needs and stakeholders' expectation levels.

Master-Pack corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of this annual report and the Corporate Governance Report 2024 available in the company website.

Risk Management

Master-Pack Group has implemented an organizational structure with formal and clearly defined lines of responsibility and delegation of authority for risk management.

The Risk Working Committee led by the General Manager will identify risks, monitor and implement control actions. The Risk Working Committee will report to the Audit Committee on an annual basis on the findings of the review, assessment and updates the Risk & Opportunity Register.

The Group outsourced its internal audit function to JWC Consulting Sdn. Bhd., an independent professional firm as an internal auditor to provide independent assurance to the Audit Committee that the Group's risk management, governance and internal control processes are operating effectively. For further information on Risk Management, please refer to the section in Statement of Risk Management and Internal Control of the Annual Report FY2024.

Anti-Bribery and Anti-Corruption Policy ("ABC") Whistle Blowing

The Group adopts zero tolerance approach to all forms of bribery and corruption. The ABC policy had been communicated to all our entities to ensure they are aligned within the Group. The ABC policy provides direction and guidance governing both Directors and employees on the way to recognise and deal with any act of corruption and bribery that may arise in the course of daily business activities.

The Master-Pack Group Anti-bribery and Anti-Corruption Policy ("ABC") was first adopted in 2020. In order to have a clearer understanding of this ABC policy in conducting daily business, it is best read together with Master-Pack Code of Business Conduct ("The Code").

The Code covers salient areas pertaining to gifts, entertainment, donations and sponsorships. Master-Pack's ethics in anti-bribery and anti-corruption is also stated in the Vendor Code of Conduct which has to be acknowledge by vendors who have business dealings with Master-Pack Group of companies.

Percentage of employees who have received training on anti-corruption cum the CODE by employee category	2022 %	2023 %	2024 %
Managers	2	4	0
Executives	2	16	4
Non-executive/ Technical staff	2	18	3
General Workers	3	44	10
	8	82	17

GOVERNANCE (CONT'D)

Anti-Bribery and Anti-Corruption Policy (“ABC”) Whistle Blowing (Cont'd)

The ABC training was mainly carried out group wide in 2023. There is a reduction on ABC training in 2024 as group employee turnover is low making this training only necessary to be given to new recruits as part of their induction programme. Training on the Code to employees is conducted in their own language especially for the migrant workers from Bangladesh and Nepalese. During the training, all attendees were briefed on the established whistle-blowing channels made available by the company and the procedures to report a case of potential bribery or corruption, if required.

The Company does not make charitable donations or contributions to political parties. Whilst employees and associated third parties acting in their personal capacity are not restricted to make any personal donations, Master-Pack will not make any reimbursement for these personal political contributions back to its employees or the associated third parties.

In addition, an audit on Anti-Bribery and Anti-Corruption policies and practices was also conducted in 2022 for the whole Group by the out-sourced internal auditor which reports directly to the Audit Committee.

Corruption Risk Assessment has been carried out across the Group based on present and potential corruption risk. The assessment process considers the potential impact and likelihood of occurrence, effectiveness of controls in place and actions plans taken to mitigate the corruption risk.

The internal audit performed a group wide audit review on the procedures and practices in accordance to the Anti-Bribery and Anti-Corruption policy in 2022. There were no significant findings and all recommendations were duly complied by the management. In addition, the external auditors also provide questionnaires on fraud and risks for the management and internal auditors to complete for their audit assessments.

Confirmed incidents of corruption and action taken	2022	2023	2024
Total number of confirmed incidents of corruption	0	0	0
Number of staff disciplined or dismissed due to non-compliance with ABC policy	0	0	0
Fines or penalties imposed in relation to corruption, bribery and anti-competitive business practices	0	0	0
Amount of political contributions made	0	0	0

Sexual Harassment

The latest update to the Employment Act had included an article to educate, communicate and provide the channel for reporting sexual harassment in the workplace. The topic of sexual harassment was also included in the training on Company’s Code of Conduct communicated to employees during the year.

	2022	2023	2024
Substantiated case on sexual harassment	0	0	0
Number of staff investigated, disciplined or dismissed due to sexual harassment	0	0	0

Code of Business Conduct

The Code was first introduced in 2012 and the latest update 2024 approved by the Board is available in the company’s website. The Code which applies to the board and employees of the Group is not only available in English but in both Bahasa Melayu and Vietnamese for the comprehension of the employees. Our Code of Conduct outlines our expectations to all our employees and external stakeholders on our approach in human rights, misconduct, insider information and other matters including the Competition Act while conducting business with the Group.

Master-Pack Code of Business Conduct should be read together with the Anti-Bribery and Anti-Corruption policy as it clearly sets out Master-Pack’s policy and practices on daily business conduct and ethics. The Group strictly prohibits any director, employee, company representative and business associates from a taking part in any form of corruption, bribery, extortion, embezzlement or any kind of money laundering activities on the company’s behalf.

All department heads and sales personnel are required to sign the declaration annually that they have read and understood the Code of Business Conduct and shall strictly abide to the procedures and guidelines stipulated therein.

Master-Pack Code of Conduct have been updated on July 2024 and is available in the company website <https://master.net.my/investor-relations/code-of-business-conduct/>

GOVERNANCE (CONT'D)

Whistle-blowing Policy and Procedures

In accordance with Open Communication culture, all employees are encouraged to ask and have a duty to report possible violations of the law, the Code and other company guidelines.

The Whistle-blowing policy is designed to support the company's values, ensure employees can raise concerns without fear of reprisals and provide a transparent and confidential process for dealing concerns.

This policy also outlines the reporting channels which include making a report to employee's immediate supervisor, the Group Executive Chairman, the Senior Independent Director and the Group Human Resource Manager. A report can be written or via email or via the whistle-blowing disclosures form as set out in the Company website.

All grievance shall be treated with strict confidentiality and the employee shall be safeguarded from unwarranted retaliations. There is no repercussion or punitive action against the employee for reporting grievances.

Master-Pack Whistle-blowing policy have been updated on July 2024 and is available in the Company website <https://master.net.my/investor-relations/whistle-blowing-policy/>

Data Privacy and Security

The management understands the importance of data privacy and security which entail the proper use and handling of data with sensitive information. This data includes personal, financial information including customer plans, drawings and any sensitive information that is provided during the course of business. The Company is bound by Non-Disclosure Agreements from various customers and duly respect that information provided shall be kept secured and confidential.

It is important to build trust and accountability with customers, business partners and employees who expect their data to be kept private and that correct measures for protecting these private data have been implemented.

Our key internal controls to protect data privacy are as follows:-

- Protect our technology resources and assets with latest encryption, firewalls, antivirus and anti-malware software
- Use physical and security measures to protect the personal data
- Require all employees to understand and abide by the Master-Pack Code of Conduct
- Provide training and awareness on the risks of cyber crimes
- Sign Non-disclosure Agreements with customers, suppliers and contractors.
- Wi-Fi configurations limited to only authorize access
- Online access to company servers are limited – employees are generally not allowed to log in to company servers whilst working from home.

The company have continued to upgrade the servers and backup system for data safekeeping. In addition, the company have also installed the latest data protection software and comprehensive anti-virus solutions as part of the company's data security measures. Based on ongoing monitoring, there are no complaints concerning breaches of customer privacy and losses of customer /employee data incidents reported for the past 3 years.

Investor Relation

We are committed to provide accurate information and disclosures in transparent and timely manner to all our shareholders. We continue to work on timely delivery of the Annual Report and provide sufficient notice to shareholders to attend the Annual General Meeting.

The release of Master-Pack's the Annual Report are as follows:-

Annual Report	Date of Release	Bursa Securities Deadline for the release	No. of days in advance
2023	23 April 2024	30 April 2024	7 days
2022	19 April 2023	30 April 2023	11 days
2021	22 April 2022	30 April 2022	8 days

The release of the Notice of Annual General Meeting is as follow:-

Date of Annual General Meeting	Date of Notice	At least 28 days' notice from the date of the AGM	Notice Period given
30 th AGM -23 May 2024	23 April 2024	28 days	30 days
29 th AGM -22 June 2023	23 May 2023	28 days	31 days
28 th AGM -25 May 2022	22 April 2022	28 days	33 days