

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7029
COMPANY NAME : MASTER-PACK GROUP BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the Group's strategic aims, ensure the necessary resources are in place for the Group to meet its objectives and review management performance. The Board has set the Group's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.</p> <p>The Board recognises the key role it plays in charting the strategic direction of the Group and has assumed the following core responsibilities in discharging its fiduciary and leadership functions during the year under review:</p> <ol style="list-style-type: none">Set the vision and mission for the Company;Established good corporate governance and culture for the Group;Ensure that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. In this regard, the Directors are required to comply with the Master-Pack Group Code of Business Conduct which amongst others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors' responsibilities as a Board Member and to refrain from voting on such transaction with the Group;Reviewed and adopt strategic plan for the Group taking into consideration long-term value creation which includes strategies on economic, environmental, social and governance consideration underpinning sustainability;Oversight on performance of the Group's business and to evaluate whether the business is being properly managed;Established four Board Committees namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Sustainability Committee. The authorities and functions of these Board committees are properly set out in their respective Terms of Reference. The Board shall consider the recommendations of

	<p>the respective Board Committees however the responsibility of decisions on all matters ultimately lies with the Board as a whole;</p> <ul style="list-style-type: none"> g. Identified principal risks and ensure the implementation of appropriate internal control systems to manage these risks; h. Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks including understanding the sustainability issues relevant to the Group’s business i. Established succession planning including appointing, training, fixing the compensation, and, where appropriate, recruiting and replacing Management; j. Reviewed the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; k. Ensure that the financial statements of the Group and the Company are fairly stated and conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements; l. Reviewed and updated the Code of Business Conduct, Whistle-blowing policy and the Diversity Policy to be in compliance with the latest regulation. m. Proper segregations of duties and responsibilities between the Board and the Management <p>The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Additional meetings will be convened when the needs arise.</p> <p>The Board has delegated its duties and responsibilities to 4 committees namely the Audit Committee (“AC”), Nominating Committee (“NC”), Remuneration Committee (“RC”) and Sustainability Committee. Business Risk Management is under the purview of the Audit Committee however, the Sustainability Committee shall be responsible to identify, assess and mitigate sustainability-related risks that may impact the Group’s operations and long-term sustainability goals.</p> <p>The authorities and functions of these Board committees are properly set out in their respective Terms of Reference. However, the responsibility of decisions on all matters ultimately lies with the Board as a whole.</p> <p>Other than matters reserved for the Board with the exception of matters requiring shareholders’ approval, the responsibility of managing the Group’s daily business activities is carried out by the Executive Committee comprising Executive Director, General Manager as well as various Heads of Department led by the Executive Chairman.</p>
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>A chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness of the board. During the year, the duties of the Chairman performed include:</p> <p>Managing Board Meetings</p> <ul style="list-style-type: none">• The Chairman with the assistance of the Company Secretary sets the Board agenda for each pre-scheduled Board meetings as set at the end of each year.• Ensuring accurate, complete, timely and clear information to the Directors. Materials for the Board meetings are distributed to the Board members at least 5 to 7 working days before the scheduled meetings. This gives the Board members adequate time for thorough review of the Board meeting materials.• He promotes an open environment during the Board meeting, leads the meeting pace and discussion as well as encourages active participation in an effective manner. He facilitates the Board Meetings to ensure no individual member dominates discussion and that relevant opinions amongst Board members are forthcoming.• Acts as a conduit ensuring smooth discussions between the senior management and the Non-executive Board members <p>The Public Spoke Person</p> <ul style="list-style-type: none">• Acts as a spoke person for the Board to the public;• Represents the Board to the shareholders and other stakeholders;• At the Annual General Meeting he will answer to questions posed by the shareholders and the media. <p>A high performance Board</p> <ul style="list-style-type: none">• Provides leadership for the Board so that the Board can perform its responsibilities effectively• Leads by setting exemplary high standard in ethics and corporate behaviour guided by the Master-Pack Code of Business Conduct.• Taking a leading role to adhering to the requirements and guidelines of the Malaysian Code of Corporate Governance as well as the Main Market Listing Requirements of Bursa Securities Berhad.• Excellent leadership is acknowledged by his consistent high ratings by the remaining five members of the Board in the peer

	<p>assessment of the Board members in the annual Board Effectiveness Evaluation.</p> <p>Roles and responsibilities of the Chairman of the Board are specified in the Board Charter which is published in the company website.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consists of only one Executive Chairman and five other Non-Executive Directors out of which four are Independent Non-Executive Directors. In view of a majority (4/6) of Independent Directors on our Board, the balance of power and authority of the Board are not compromised by the combined roles of Executive Chairman and CEO held by Dato Seri Syed Mohamad bin Syed Murtaza.</p> <p>Although designated as CEO, Dato Seri Syed does not spend full time overseeing to the daily operations of the business. The duties and the responsibility of spearheading the business and the day-to-day management of company, implementing strategies, policies and objectives of the group are carried out by the Executive Director. The Executive Director, Mr. Sim Poh Lai is not a Board member and has no relationship to any Board members or major shareholder of the company.</p> <p>As such no one individual can influence the Board's discussion and decision making and there is clearly defined role separation of duties. Other than as specifically reserved for the Board's collective decision specified in the Board Charter, the responsibility of managing the Group's business activities is carried out by the Executive Committee comprising Executive Director, General Manager as well as various Heads of Department led by the Executive Chairman.</p> <p>In addition, Mr. Chew Hock Lin has been assigned as Senior Non-Executive Director where matters which require objective and independent deliberation can be referred to, should the need arise.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not the Chairman or a member of the Audit Committee, Nominating Committee, Remuneration Committee and Sustainability Committee. The deliberations of the Board are not impaired in anyway as there is check and balance as well as objectivity in reviews and decisions at the Committees The Chairman of the Board does not attend any of the Audit Committee, Nominating Committee, Remuneration Committee meetings nor did he attend by invitation. However, the Chairman is invited to attend the Sustainability Committee to share his insight in the discussions
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company uses the out-sourced secretarial services firm of Corporatenet Sdn. Bhd. which provides the company with two Company Secretaries namely Mr. Lee Peng Loon and Miss P'ng Chiew Keem. The named company secretaries meet the qualified requisites to act as Company Secretary in accordance with S235 and 236(3) of the Companies Act 2016. The Group benefits from the professional compliance and corporate governance advisory provided by the professional secretaries who are both knowledgeable and experienced.</p> <p>The Company Secretary emails notices of committee and Board meetings and updates the Board members on the circulars received from Bursa Malaysia Securities Berhad and Securities Commission promptly. The Company Secretary attends all Board and Committee meetings and ensures that meetings are properly convened, proceedings including resolutions are properly and accurately recorded and the statutory register is properly maintained at the registered office of the Company. The Company Secretary also keeps the Board members abreast of the current governance concepts and practices and where necessary advises the Board and its Committees on issues including compliance with statutory regulations, rules and procedures.</p> <p>The Personal Assistant to the Chairman acts as co-ordinator to liaise with the Company Secretary on behalf of the Group on matters that requires secretarial services such as drafting of resolutions, filing annual returns and drafting announcements. The Company Secretary also helps to review the contents of the annual report to ensure in compliance with MCCG 4th edition as well as the LR once the compilation is completed by the Executive Office.</p> <p>Attendance and minutes of all Board and Committee meetings are properly recorded and kept by the Company Secretary. The Company Secretary ensures that deliberations at Board and Board Committee meetings are well documented.</p> <p>For Annual General Meetings, the Company Secretary plays an important role in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretary assists the Chairman and the Board to conduct the meeting and ensure minutes are properly recorded, particularly the questions raised by the shareholders.</p>

	The Board is satisfied with the service and support rendered by the Company Secretaries in discharging their roles and duties.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Committee and Board meetings scheduled for the ensuing year were tabled on 25 November 2022 for the financial year 2023 so that all Directors are able to plan ahead following the year's Board and Committee Meetings into their respective meeting schedules. There were five pre-scheduled Board meetings planned and a total of five Board meetings were held for the year 2023.</p> <p>The Board and Committee meetings are conducted separately.</p> <p>To facilitate productive and meaningful deliberations, the proceedings of the Board and Committee meetings are conducted in accordance with a structured agenda. The setting of committee and the Board agendas are as advised by the Company Secretary with additional input from the Chairman of the Board of Directors as well as the Chairman of the respective Committees.</p> <p>The following are an extract of the agenda reviewed, deliberated and approved during the Board meetings during 2023: -</p> <ol style="list-style-type: none">a. Business strategy and goals;b. Annual budget and reviews /monitored the financial results compared to budget;c. Business Risk assessment and its accompanying internal controls as tabulated in the Risk & Opportunity register;d. Reviewing and monitoring matters relating to economy, environment, social and governance.e. The Quarterly unaudited financial statements;f. Reports of internal and external audits;g. Performance of the Audit Committee as a whole that it has performed all duties in accordance to the Audit Committee Terms of Reference;h. Capital expenditure above RM1 Million and subsequently inspected the production efficiency of the capital expenditure;i. The establishment of the Sustainability Committee and its Terms of Reference;j. The Remuneration of the Executive Chairman without the presence of the Executive Chairman;k. Draft announcements to be released via Bursa Link;l. Contents of Circulars by Bursa Malaysia and Securities Commission;m. Review the profile of five potential candidates as independent directors;

	<p>n. The restructuring of the board with new members due to the resignation of four non-executive directors</p> <p>The materials of the Board and committee meetings in accordance with the agenda are co-ordinated, compiled and sent by the company's Executive Office to all members of the respective meetings. During the year 2023, the Board of Directors and Committee members received complete materials for the Audit, Nominating, Remuneration, Sustainability Committees and Board meetings within 7 working days before the respectively pre-scheduled meetings were held.</p> <p>Minutes of meeting were circulated via email within 14 days from the Board and Committee meetings for the members confirmation that the minutes reflect the accurate deliberations and decisions of the Board and Committee meetings held.</p> <p>All proceedings of the Committee and Board were minuted and signed by the Chairman of the Meeting. The minutes of meeting were circulated to each member for review before being duly approved. The Directors may also interact directly with the Management, Company Secretary, external and internal auditors to request further explanation, information or updates on any aspect of the Company's operations or business concerns. In addition, independent professional advice may be obtained at the Company's expense on specific issues to enable the Board to discharge its duties in relation to matters being deliberated.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter and it is published on the company's website. https://master.net.my/investor-relations/board-charter/</p> <p>The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions and this is formally documented in the company's Board Charter. The Board Charter guides, regulates and reminds all Board members of their duties and responsibilities on the various regulations affecting their conduct and dealings as Board members of the Company.</p> <p>The Board Charter is subjected to periodic reviews to ensure it reflects recognised best practices and regulatory promulgations whilst simultaneously ensuring it remains relevant to the needs of the Company.</p> <p>The fiduciary duties, principal roles and responsibilities of the Board are broadly categorized into six sections: -</p> <ol style="list-style-type: none">I. Strategy,II. Risk Management and Internal ControlsIII. Investor Relations and Shareholders CommunicationsIV. SustainabilityV. Corporate GovernanceVI. Succession Planning <p>The Board Charter also outlines the Board's composition and balance, the procedure of Board meetings, the roles of the Chairman, Executive Director as well as the Independent Director.</p> <p>The schedule reserved for Board's collective decision is recorded in Appendix A of the Board Charter.</p> <p>The roles and responsibilities of each Board Committee is clearly defined in the Terms of Reference of each committee and is periodically updated and available in the company website.</p>

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

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its role in propagating ethical standards and values across the different levels of the Group and thus, has taken the initiative to formalise a Group-wide Code of Business Conduct and Ethics ("Code") and Anti-Bribery and Anti-Corruption ("ABC") Policy. Both policies provide guidance on the standards of behaviour expected of all Directors and Employees of Master-Pack Group of companies. The Code and ABC clearly sets out Master-Pack position on professional conduct, bribery and matters of corruption that may be encountered in the daily operation. Policies on entertainment, gifts and claims were updated to be in line with the ABC policy</p> <p>Both the updated Code and ABC policy are published on the company's website. The adoption of the Code and ACB Policy signifies the Board's commitment to promoting a healthy corporate culture that is anchored on professional and ethical business conduct</p> <p>Master-Pack's Code, ABC policy and the Whistle -blowing policy were updated and approved by the Board on August 2023.</p> <p>To ease the understanding of the behavioural conduct expected of all employees, a Bahasa Melayu version called the Tatakelakuan Perniagaan and the Vietnamese version is available in the website. The Board of Directors and the Departmental Heads of the Group have signed the integrity pledge to uphold "The Code". Each Department Head is responsible to explain and guide the employees under their care regarding the ethical practices in performing their duties whilst in the Company's employment.</p> <p>At the induction of a new recruit, basic ethics of conduct and practices are explained to the new employee. The Company Handbook also spells out behaviours which the company considers misconduct.</p> <p>A summary of topics covered in the Master-Pack Code of Business Conduct are:</p>

	<ul style="list-style-type: none"> • Working with One Another • Anti-bribery and anti-corruption • Gifts, Entertainment and Travel • Donation / Sponsorship • Avoiding Conflicts of interest • Competition Act • Insider Information, Securities Trading and Public Disclosure • Corporate Opportunities • Confidential Information • Misconduct <p>Face to face training on the Code of Conduct was held in 2023 in three languages, English, Bahasa Melayu and Nepalese to further enhance the employees understanding as to what is considered acceptable behaviour and practice in the company. New recruits were also trained of anti-bribery and anti-corruption in both Bahasa Melayu and Nepalese.</p> <p>In FY2023, there were no cases of non-compliance and breach of ethical issues as well as no reported incidents of corruption or breaches reported within the Group.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board have in place whistleblowing procedure as a way for an employee or anyone to report any unlawful, unethical or any suspected violation of the Code of Business Conduct. The Board provides assurance that genuine whistle-blower will not be at risk to any form of victimisation, retribution or retaliation.</p> <p>The Whistleblowing Policy is available in three languages, English, Bahasa Melayu and Vietnamese and was updated on August 2023 and is available in the company website.</p> <p>Included in the policy are the procedure, the forms and the independent persons to whom report on any suspected wrongdoing maybe reported for further investigation.</p> <p>The parties can report a complaint if they are aware of any wrongdoings, including but not limited to the following:</p> <ul style="list-style-type: none">• Fraud• Corruption, bribery or blackmail;• Criminal Offences;• Failure to comply with legal or regulatory obligations;• Miscarriage of justice;• Endangerment of an individual's health and safety; and• Concealment of any or a combination of the above. <p>Master-Pack expects all parties to act in good faith and have reasonable grounds when reporting a complaint.</p> <p>The whistle-blower can address his/her complaints directly to</p> <ol style="list-style-type: none">1. Email /Send letters/ faxes to Group Executive Chairman's Office2. Email / Send letters /faxes to Senior Independent Director3. Email / Send letters/faxes to Group HR Department Head. <p>Mr. Chew Hock Lin has been assigned as Senior Independent Non-Executive Director where matters which require objective and independent deliberation can be referred to, should the need arise. In addition, Mr. Chew also act as intermediary for other directors when necessary and a point of contact for shareholders and other stakeholders.</p>

	During the year there were no whistleblowing cases reported.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors is responsible for the oversight of the Group's business sustainability strategy and performance and to ensure adequate resources, systems and process are in place for managing sustainability matters.</p> <p>During the year 2023 the Sustainability Committee was established and was entrusted with the responsibility of overseeing the risk management of sustainability matters, including economic, environmental, social and governance matters in the Group's business strategies. The Sustainability Committee comprises a six-member team of Independent, Non-Independent, Executive Directors and a manager.</p> <p>For a comprehensive overview of the company strategy for the ensuing year, the following were tabled annually for the board's deliberation:</p> <ol style="list-style-type: none">1. The results of the ESG survey presented in stakeholder graph on the ESG materiality matters.2. ESG Risk and Opportunities register risk assessment including accompanying internal controls and person or function tasks with the responsibility.3. Key material sustainability matters identified, implementation progress, comparison of actual vs previous year results, where applicable. <p>As such the members of the Board was able to have overview of the company's business strategy and business plans including key sustainability matters encompassing Economic, Environment, Social and Governance.</p> <p>The Board also reviews the financial performance of the Company compared to budget and where necessary revisions to budget are tabled for approval.</p>

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

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board understands the importance of the various stakeholders who have a significant impact in our operations especially on the Group's sustainability strategies, priorities and targets as well as performance against these targets.</p> <p>In the 2023 Sustainability Statement contained in the Annual Report, we provide an overview of our strategies and performance and how we manage our key economic, environmental, social and governance matters, which covers all our operations in Malaysia and Vietnam.</p> <p>The management regularly communicates and updates the customers on the performance relating to sustainability matters as at when requested by customers.</p> <p>The customer will request the management to complete the Self-Assessment Questionnaire which include supporting documented evidence. The management will respond to the questionnaire covering product, quality, deliverables cost including matters on environment, safety, labour, social and governance. The customer will assess the responses made by the company and give a rating. The company will continue to improve in the areas identified by customers which require further attention. In addition to the Self-Assessment Questionnaire, customer visit the company plant for audit or vice versa ensuring constant communication to achieve targeted priorities</p> <p>Our updated Vendor Code of Conduct is available on our company website https://master.net.my/investor-relations/vendor-supplier-code-of-conduct/</p> <p>The company requires the supply chain vendors acknowledge that they have read and understood Master-Pack Supplier Code and pledge to commit to abide by the Supplier Code of Conduct.</p> <p>In 2023 an in-house training on regulatory ESG Reporting Framework was organized for the management team to understand the responsibilities and importance of the ESG materiality matters.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board was restructured to include a board member knowledgeable in sustainability to lead the Sustainability Committee. This has enhanced the board of directors’ skill set matrix further strengthening ESG perspective of the whole board.</p> <p>As at to-date three board members have already completed Mandatory Accreditation Programme Part II relating to ESG and the remaining directors have already reserved their training slots accordingly.</p> <p>In order to equipped themselves with the knowledge, members of the board including the management team have continued to attend training or read up on articles, literature relating to matters on environment, social and governance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The performance evaluations of the executive directors and senior management addresses how the management team managed the economic, environment, social and governance, taking into account risks and opportunities, challenges faced and the decisions to handle the situation that is unique to the business operating environment of each location as well as the compliance to the government regulatory requirements.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee ('NC') duty is to assist the Board in ensuring members of the board have the right mix of skill sets, knowledge, experience, diversity, gender, expertise and other relevant attributes which contribute to the effective functioning of the Board.</p> <p>During the year, the Board was restructured with the resignation of three independent directors above the 12- year tenure limit for independent directors and one non-independent director from the board. One director was re-designated from independent to non-independent and retained for his knowledge and expertise.</p> <p>A total of four new independent non-executive board members were duly appointed during the year. The current board consist of 4 independent non-executive directors, one non-independent non-executive director and an executive director. As such, none of our Independent Director's tenure of service exceed nine (9) years in line with MCG Practice 5.3</p> <p>The Board through the NC conducts an annual evaluation to determine the effectiveness of the Board as a whole, Board Committees and individual Directors ("Board Evaluation"). The Board Evaluation also includes assessment of the independence of the Independent Directors. Based on the evaluation results compiled, the board members, board committees had been effective in overall discharging their functions and fiduciary duties during the year.</p> <p>For the year under review, the Board is satisfied with the present number and board composition and that all Directors have fulfilled their duties and responsibilities effectively</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the financial year 2023, the Board has of 6 Directors, comprising a majority of Independent Non-executive Directors as follows:</p> <ul style="list-style-type: none">• 4 Independent Non-executive Directors (“INED”)• 1 Non-Independent Non-Executive Director• 1 Executive Director/ Chairman <p>As such 4 out of 6 or (67%) of Board members meet the criteria that majority of the Board are Independent Directors. All 4 INED satisfy the independence test under the main Listing Requirement.</p> <p>All Independent Directors had given confirmations on a quarterly basis during 2023 to the Board that there are no transactions entered into with the Group which involves his/her interest whether direct or indirect during the year. The Independent Directors had also given a declaration that they are independent from management and free from any business or other relationship which could materially interfere with the exercise of their objectivity and independent judgements, decisions and reviews.</p> <p>In addition, the four Independent Directors do not hold directorships in any company within the group and thus the objectivity of these Directors is not compromised.</p> <p>The size and composition of the Board is adequate to provide a diversity of views to facilitate effective decision making and provides appropriate balance of executive, independent and non-independent directors. All the six Board members possess varied experience, fair knowledge, complementary skills and are of diverse competencies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied										
Explanation on application of the practice	:	<p>The tenure of service for current Independent Directors are as follows</p> <table border="1"><thead><tr><th>Independent Directors Names</th><th>Date pf Appointment</th></tr></thead><tbody><tr><td>Mr. Dharmik Rajkumar Sheth</td><td>Appointed 22 February 2023</td></tr><tr><td>Encik Radhi bin Mohamad</td><td>Appointed 1 July 2023</td></tr><tr><td>Puan Fazlina binti Yahaya</td><td>Appointed 1 July 2023</td></tr><tr><td>Madam Khor San Leng</td><td>Appointed 1 July 2023</td></tr></tbody></table> <p>Majority of the Independent Directors tenure is less than two years which does not exceed a cumulative term limit of nine years as recommended by MCCG.</p>	Independent Directors Names	Date pf Appointment	Mr. Dharmik Rajkumar Sheth	Appointed 22 February 2023	Encik Radhi bin Mohamad	Appointed 1 July 2023	Puan Fazlina binti Yahaya	Appointed 1 July 2023	Madam Khor San Leng	Appointed 1 July 2023
Independent Directors Names	Date pf Appointment											
Mr. Dharmik Rajkumar Sheth	Appointed 22 February 2023											
Encik Radhi bin Mohamad	Appointed 1 July 2023											
Puan Fazlina binti Yahaya	Appointed 1 July 2023											
Madam Khor San Leng	Appointed 1 July 2023											
Explanation for departure	:											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
Measure	:											
Timeframe	:											

Intended Outcome

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

Practice 5.4 - Step Up

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

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.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>While the Board is responsible for the appointment of new Directors, the Nominating Committee is delegated with the role of screening and conducting the selection procedure.</p> <p>Prior to the selection of candidate to the Board, the Nominating Committee will review and consider the proposed candidates’:-</p> <ul style="list-style-type: none">- skills, knowledge, expertise and experience;- professionalism;- integrity;- gender diversity;- time commitment to at least attend not less than half the meetings as well as competing time commitments if the candidate also holds other directorship;- consideration as to the representation of the interest groups;- assess the desirable numbers to balance Board membership, with due consideration to the structure, development and succession planning- in the case of candidates for the position of Independent Non-executive Directors, the Committee should also evaluate the candidate’s ability to discharge such responsibilities as expected from Independent Non-executive directors. <p>This is documented in the Terms Of Reference of the Nominating Committee.</p> <p>A Fit and Proper Policy was approved by the Board via circular resolution on 30 June 2022 which sets the criteria to guide the Nominating Committee in their review and assessment of potential candidates to be appointed by the Company as directors.</p> <p>The Fit and Proper Policy is available in the website https://master.net.my/investor-relations/directors-fit-and-proper-policy/</p> <p>During the year 2023, the Nominating Committee screened and followed the proper procedure to select and had recommended to the Board four new members to fill the vacancy in the Board taking into consideration the skillsets to enhance the Board’s skill matrix</p>

	<p>The current individual board members possess varied experience, complementary skills of diverse competencies as follows:</p> <ul style="list-style-type: none"> - Finance/ Audit/ Accounting/ Tax - Government relations - Wealth Management/ Banking/Treasury - Sustainability Matters - Information Technology - Risk management /Corporate Governance - Share Market Instruments <p>Currently, there is no board member that previously held positions such as head of state or government/ public officials that would cast doubt on the independence of their judgement.</p> <p>Save for restriction of Paragraph 15.06 of the Main LR where a Director of the listed issuer shall not hold more than 5 directorships in listed issuers, the Board has not set the maximum number of directorships a Director may hold because each Director would be able to manage and assess his own capacity and ability to take on obligations or commitments when serving on the Board.</p> <p>The Group adopts a policy where priority is given to internal talent to fill management vacancies before advertising externally. The employment of Senior Management personnel which includes Executive Directors and C-suite members is equally based on an objective set of criteria which covers diverse skill sets and experience.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee ('NC') has been tasked to identify potential candidates and reviewing all nominations for the appointment of Directors. In recommending new Directors, the NC relies mainly on the contacts and network of the entire Board. However, the NC may engage the services of external recruitment companies, if necessary.</p> <p>The Board, with the help of the NC, looks into the background, skill sets, career experience and professional qualifications of a candidate to determine whether he or she has the right skill sets which will complement the Board Skill Matrix or fill the gaps of the of Board Skill Matrix identified by the board in order to contribute to the board as a whole. The Board places particular attention on his or her past achievements and expertise to determine whether he or she can enhance the quality and robustness of the decision-making process of the Board. The Directors' Fit and Proper Policy adopted by the Board on 30 June 2022 also ensure the person must have the necessary skills, experience, ability and commitment to carry out his or her fiduciary duties of a director.</p> <p>There was in total six resumes of identified potential candidates screen by the Nominating Committee to fill 4 vacancies. The services of external recruitment agency were not necessary as there were sufficient resumes of potential candidates to meet the ethnicity, diversity, professional expertise and experience from diverse cultural background to fill gaps of the Board Skill Matrix.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The Constitution of Master-Pack Group Berhad provides that at every annual general meeting, one-third of Directors for the time being and those appointed during the year shall retire from office and shall be eligible for re-election.</p> <p>Based on the yearly Board effectiveness evaluation, the Nomination Committee is of the opinion that the retiring Directors have discharged their duties and responsibilities effectively and provided valuable contribution to the leadership of the Board and accordingly recommends their re-election for shareholders' approval at the next AGM. With the recommendation from the Nomination Committee, the Board supports the re-election of the retiring Directors based on the justification stated in Practice Note 6.1.</p> <p>With the recommendation from the Nomination Committee, the Board supports the re-election of the retiring Directors</p> <p>The information for shareholders to make an informed decision on the appointment and reappointment of a director are stated in: -</p> <ul style="list-style-type: none">- The Corporate Governance Overview Statement in the Annual Report;- The profile of each director stating the detail biography is available in the Company website;- Provided in the explanatory Notes accompanying the notice of general meeting <p>A statement in support for the directors seeking re-appointment at the next Annual General Meeting shall be included in the Corporate Governance Overview Statement of the annual report and the Notice of Annual General Meeting.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied												
Explanation on application of the practice	:	<p>The Nominating Committee comprises exclusively of Non-Executive Directors and all members are Independent Directors. The Nominating Committee is guided by its Terms Of Reference which is available in the company website https://master.net.my/investor-relations/terms-of-reference-of-nominating-committee/</p> <p>The members of the Nominating Committee are:</p> <table border="1"> <thead> <tr> <th>Member</th> <th>Directorship</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Mr. Dharmik Rajkumar Sheth</td> <td>Independent Non-Executive Director</td> <td>Chairman</td> </tr> <tr> <td>Encik Radhi bin Mohamad</td> <td>Independent Non-Executive Director</td> <td>Member</td> </tr> <tr> <td>Puan Fazlina binti Yahaya</td> <td>Independent Non-Executive Director</td> <td>Member</td> </tr> </tbody> </table> <p>As the Chairman of the nominating Committee, he leads the annual performance review of each individual director including the Chairman. The result of the performance review is derived from the cumulative average ratings of peer evaluation from the remaining 5 board directors. All individual members of the Board were found to have performed well.</p> <p>He also oversees the succession planning of the management team. There are no changes to the management team for the year 2023 or the previous five years.</p>	Member	Directorship	Designation	Mr. Dharmik Rajkumar Sheth	Independent Non-Executive Director	Chairman	Encik Radhi bin Mohamad	Independent Non-Executive Director	Member	Puan Fazlina binti Yahaya	Independent Non-Executive Director	Member
Member	Directorship	Designation												
Mr. Dharmik Rajkumar Sheth	Independent Non-Executive Director	Chairman												
Encik Radhi bin Mohamad	Independent Non-Executive Director	Member												
Puan Fazlina binti Yahaya	Independent Non-Executive Director	Member												
Explanation for departure	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:													
Timeframe	:													

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nominating Committee when reviewing the new nomination for restructuring the company's board have taken into consideration appointing women directors to meet at least 30% women directors' as recommended by MCCG.</p> <p>With the appointment of two women directors namely Puan Fazlina binti Yahaya and Madam Khor San Leng, the Board composition of 2 out of 6 board members meets the 30% of women directors criteria on Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board take cognizance of the recommendation in the latest 4th MCCG edition for a formalize company policy on gender diversity for the board and senior management.</p> <p>The Company practices an unspoken corporate culture of emphasizing on the competencies of an employee rather than gender. This has long been ingrained in the corporate culture of the company without formalization.</p> <p>Besides a female Plant Manager who has been promoted through the ranks, the Company's migrant foreign workers have equal opportunity for promotion as the company practices equal opportunities and non-discrimination. This is already in practice with promoted migrant workers recognize for their skills in manning and operating machinery. In the pipeline on succession planning shows that there are an equal number of female senior executives being groomed for the position of head of department of their respective functions.</p> <p>The Company's unspoken corporate culture has given employees in the Group's work force the confidence to excel in their individual fields of expertise.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has in place an annual assessment exercise for the Directors to assess the effectiveness of the Board as a whole, each Board Committee, and the contribution by individual Directors to the effectiveness of the Board.</p> <p>Two weeks prior to the Nominating Committee Meeting held on 17 November 2023, several evaluation forms were sent out to all the directors. The duly completed evaluation forms received from all directors were then compiled by the Company Secretary into reports and tabled before the Nominating Committee for discussion and consideration.</p> <p>As the company is not a large company, the Board needs not engage independent experts to facilitate the Board evaluations.</p> <p>An evaluation was carried out to assess the independence of the Independent Directors. The criteria included in the evaluation form for Independent Directors cover a list of questions on independency, quality and value of contributions, ability to diplomatically listen and voice their views including an Independent self-declaration of any involvement or relation which could interfere with an independent judgement or ability to act in the best interests of the company.</p> <p>Self and Peer evaluation form is to assess the contribution of each individual Board member's contribution to the Board in terms of personality and working relationship with peers, company secretary and management, bringing his/ her knowledge and experience to the agenda discussed at the quarterly meetings, devotes sufficient time to prepare for the Board meeting, able to voice his/ her opinion in non-confrontational and comprehensive manner and effectively communicates with the shareholders at the annual general meetings. Peer evaluation of a single director is the cumulative average ratings compiled from the evaluation forms of the remaining five Board</p>

	<p>members and in the year 2023, all individual members of the Board were found to have performed well. In summary, it was identified that the board members require to further enhance their knowledge on the identified key sustainability matters that is related to the business sustainability and the members have also propose to seek the advice of a consultant, if necessary.</p> <p>Evaluation forms for Board and Board Committee cover the Board structure, Board operations, Board roles and responsibilities, Board chairman’s role and responsibilities, the performance of the Board Committees.</p> <p>The evaluation form for the Performance of the Audit Committee as a whole assesses the Audit Committee members’ understanding of the Audit Committee Terms Of Reference including whether each individual audit committee member is adequately knowledgeable in financial literacy. The results of the evaluation have shown that with the help of the external auditors and the out-sourced internal auditors, Audit Committee and the Sustainability Committee were able to give the Board the assurance on risk management and internal control.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In order to retain talent, the components of the remuneration are structured to link rewards to group financial performance and individual performance.</p> <p>The remuneration packages of all Executive Director are designed to take into consideration the demand, complexities, the responsibilities of managing the company's business performance as well as the strategies crafted and undertaken during the period under review in driving the group's business forward in a challenging environment.</p> <p>Performance of both quantifiable and non-quantifiable factors are taken into consideration such as profit achieved compared to budgets, individual director's probity with the law especially the Vietnamese law, adherence during the year to corporate governance practices including anti-corruption policies & procedures and sustainability-related matters such as ESG, climate change and societal development. There is no gender inequality in terms of remuneration package.</p> <p>The Remuneration Committee recommended the remuneration package of the Executive Director/ Chairman to be approved at Board level. The Executive Director/ Chairman did not participate in any way on the agenda in determining his remuneration during the Board Meeting. The Executive Director/ Chairman also do not attend the remuneration Committee meetings.</p> <p>The Board of Directors as a whole determines the remuneration of the Non-Executive Directors. The remuneration for Non-Executive Directors is based on a standard range of fixed fee, with the Chairman of each sub-committee receiving a higher amount in recognition of his/her additional responsibilities. A meeting allowance is paid for attendance</p>

	<p>at meetings of the Board and Board Committees as well as general meetings.</p> <p>A Directors and Officers Insurance Policy essentially covering the acts of the Directors and Officers are renewed on a yearly basis.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied								
Explanation on application of the practice	:	<p>The Board is assisted by a Remuneration Committee to implement policies and procedures on remuneration.</p> <p>The roles and responsibilities in relation to remuneration matters are defined in the Terms of Reference of the Remuneration Committee which are available at https://master.net.my/investor-relations/terms-of-reference-of-remuneration-committees/</p> <p>The members of the Remuneration Committee:</p> <table border="1"><thead><tr><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Mr. Chew Hock Lin</td><td>Non-independent & Non-Executive Director- Chairman</td></tr><tr><td>Encik Radhi bin Mohamad</td><td>Independent & Non-Executive Director</td></tr><tr><td>Mr. Dharmik Rajkumar Sheth</td><td>Independent & Non-Executive Director</td></tr></tbody></table> <p>For the year 2023, the Remuneration Committee met twice on 29 February 2024 and 17 November 2023 to review the remuneration package for the Executive Chairman, the Non-executive Directors and senior management.</p> <p>The review compares a proposed remuneration package of the Executive Director/ Chairman for the next calendar year compared to the existing remuneration.</p> <p>The annual performance review among others takes into consideration the demands, business complexity, the responsibilities of managing the company's business performance, the challenge to adapt process to the environment, social governance due to changes in regulation, the achievement in business strategy including profitability and the challenges faced in a volatile business environment.</p>	Name	Directorship	Mr. Chew Hock Lin	Non-independent & Non-Executive Director- Chairman	Encik Radhi bin Mohamad	Independent & Non-Executive Director	Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director
Name	Directorship									
Mr. Chew Hock Lin	Non-independent & Non-Executive Director- Chairman									
Encik Radhi bin Mohamad	Independent & Non-Executive Director									
Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director									

	<p>The remuneration package for the Executive Chairman and senior management was recommended by the Remuneration Committee and approved at Board level. The Board as a whole determines the remuneration of the Non-Executive Directors.</p> <p>The Executive Chairman and senior management did not participate in any way on the agenda in the deliberation and approval of the remuneration</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.

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	Dato' Seri Syed Mohamad bin Syed Murtaza	Executive Director	48	Input info here	Input info here	Input info here	Input info here	3	51	48	Input info here	2074	2343	Input info here	1133	5598
2	Chew Hock Lin	Independent Director	54	Input info here	Input info here	Input info here	Input info here	3	57	54	Input info here	Input info here	Input info here	Input info here	3	57
3	Aminuddin bin Saad	Independent Director	18	Input info here	Input info here	Input info here	Input info here	1	19	18	Input info here	Input info here	Input info here	Input info here	1	19
4	Nazriah binti Shaik Alawdin	Non-Executive Non-Independent Director	16	Input info here	Input info here	Input info here	Input info here	2	18	16	Input info here	Input info here	Input info here	Input info here	2	18
5	Dr. Junid bin Abu Saham	Independent Director	16	Input info here	Input info here	Input info here	Input info here	2	18	16	Input info here	Input info here	Input info here	Input info here	2	18
6	Dato' Seri Khor Teng Tong	Independent Director	13	Input info here	Input info here	Input info here	Input info here	1	14	13	Input info here	Input info here	Input info here	Input info here	1	14
7	Radhi bin Mohamad	Independent Director	24	Input info here	Input info here	Input info here	Input info here	1	25	24	Input info here	Input info here	Input info here	Input info here	1	25
8	Dharmik Rajkumar Sheth	Independent Director	39	Input info here	Input info here	Input info here	Input info here	2	41	39	Input info here	Input info here	Input info here	Input info here	2	41
9	Fazlina binti Yahaya	Independent Director	18	Input info here	Input info here	Input info here	Input info here	1	19	18	Input info here	Input info here	Input info here	Input info here	1	19
10	Khor San Leng	Independent Director	16	Input info here	Input info here	Input info here	Input info here	1	17	16	Input info here	Input info here	Input info here	Input info here	1	17
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.

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mr.A	Director	850,001-900,000	Choose an item.	650,001-700,000	Choose an item.	400,001-450,000	2,00,000-2,050,000
2	Mr. B	Director	200,001-250,000	Choose an item.	100,001-150,000	Choose an item.	100,001-150,000	500,001-550,000
3	Mr. C	Director	100,001-150,000	Choose an item.	0-50,000	Choose an item.	0-50,000	150,001-200,000
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied								
Explanation on application of the practice	:	The members of the Audit Committee								
		<table border="1"><thead><tr><th>Name</th><th>Status of Directorship</th></tr></thead><tbody><tr><td>Encik Radhi bin Mohamad</td><td>Independent & Non-Executive Director - Chairman</td></tr><tr><td>Mr. Chew Hock Lin</td><td>Non-Independent & Non-Executive Director</td></tr><tr><td>Mr. Dharmik Rajkumar Sheth</td><td>Independent & Non-Executive Director</td></tr></tbody></table>	Name	Status of Directorship	Encik Radhi bin Mohamad	Independent & Non-Executive Director - Chairman	Mr. Chew Hock Lin	Non-Independent & Non-Executive Director	Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director
	Name	Status of Directorship								
	Encik Radhi bin Mohamad	Independent & Non-Executive Director - Chairman								
Mr. Chew Hock Lin	Non-Independent & Non-Executive Director									
Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director									
	<p>Encik. Radhi graduated with a Bachelor of Accountancy from the University Putra Malaysia and has a Master in Business Administration majoring in Strategic Management from University Technology Mara. He is a qualified Chartered Accountant registered with the MIA with 29 years working experience in strategic management, corporate finance and corporate planning specifically in the areas of financial management, logistics and manufacturing sectors.</p> <p>All three members of the Audit Committee are financially literate with appropriate accounting education and have the expertise to objectively review the company's financial statement in-depth.</p> <p>The Audit Committee Chairman is briefed on significant matters relating to financial statements, internal and external audit. The Audit Committee appropriately communicates its views relating to events and transactions and ensure that the latest changes in accounting standards are adopted where applicable.</p> <p>The Chairman of the Audit Committee is not the Chairman of the Board which is held by Dato' Syed Mohamad bin Syed Murtaza.</p> <p>Please refer to the Audit Committee Report for further details.</p>									
Explanation for departure	:									
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>										

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had not appointed a former audit partner as a member of the Audit Committee. The Audit Committee Terms of Reference reviewed on 22 February 2023 states that a cooling period of at least three years is required before appointing a former audit partner.</p> <p>The existing auditors from Crowe Malaysia PLT had declared that they complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>In March 2023, the Board had approved the Audit Committee's recommendation to seek the shareholder's approval in the 29th Annual General Meeting on re-appointment Crowe Malaysia PLT as external auditors of the Company for the financial year 2023. This was duly approved by the shareholders on 22 June 2023 at the Annual General Meeting.</p> <p>The Audit Committee is responsible for assessing the suitability, objectivity and independence of the external auditor. The assessment procedure includes the following-</p> <ul style="list-style-type: none">• The competence, audit quality and resource capacity of the external auditor in relation to the audit;• The nature and extent of the non-audit services rendered and appropriateness of the level of fees;• Obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics and Conduct and Practice) of the Malaysian Institute of Accountants and the International Standards Board for Accountants' Code of Ethics for Professional Accountants. <p>In November 2023, the external auditors, Crowe Malaysia PLT presented their audit plan for the financial year 2023 which outlined its engagement team, audit timeline, the areas of emphasis and the focus area on key audit matters to the Audit Committee. The interim audit for the financial year 2023 was carried out in December 2023 and January 2024 and the audited financial statements for financial year 2023 was tabled to the Audit Committee for approval on 29 March 2024.</p> <p>The Audit Committee had on March 2024, upon the completion of the audit, assessed the independence and performance of the external auditors by completing a Performance and Independence Evaluation questionnaire. The questionnaire encompasses the audit scope, planning, process performance, audit team work, audit fees and audit communications. The external auditors, Crowe Malaysia PLT were</p>

	<p>found to be suitable and had performed their audit objectively and independently.</p> <p>Crowe Malaysia PLT had also provided a written assurance that they had been independent throughout the audit engagement in accordance with the By-Laws (on Professional Ethics and Conduct and Practice) of the Malaysian Institute of Accountants and the International Standards Board for Accountants' Code of Ethics for Professional Accountants. The non-audit engagement provided by the external auditors during the year 2023 is minimal amounting to only RM2,000.</p> <p>The Board shall be seeking the shareholders approval to re-appoint Crowe Malaysia PLT in the upcoming 30th Annual General meeting.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee led by the Chairman Encik Radhi can objectively review the reliability of the financial statements prepared by the Group Financial Controller and report effectively to the Board.</p> <p>The Group Financial Controller is required to brief the Audit Committee members on the quarterly financial statements, budgets, the Management Discussion & Analysis and any other financial analysis. At intervals during the debriefing, questions will be raised on the financial statements by members of the Audit Committee. The Group Financial Controller or the Executive Director will reply appropriately to the Audit Committee.</p> <p>Encik Radhi graduated with a Bachelor of Accountancy from the University Putra Malaysia and has a Master in Business Administration majoring in Strategic Management from the University Technology Mara. He is a qualified Chartered Accountant registered with the MIA with 29 years working experience in strategic management, corporate finance and corporate planning specifically in the areas of financial management, logistics and manufacturing sectors.</p> <p>Mr. Chew has more than 30 years' experience in audit and accountancy profession. He is a former partner of an international audit firm. Currently, he is a Certified Public Accountant (Malaysia), a Chartered Accountant (Malaysia) and a Fellow of Chartered Tax Institute of Malaysia.</p> <p>Mr. Dharmik graduated from University of Melbourne Australia with a Bachelor of Commerce majoring in Finance & Management. He has continued to expand his expertise in various fields such as Digital Transformation, Data Analytics, Portfolio Management and Corporate Restructuring. In addition, he is a Ministry of Finance Malaysia</p>

	<p>registered management consultant for Organisational Assessment and Human Resource Development.</p> <p>All three members of the Audit Committee are financially literate with appropriate accounting education and therefore have the expertise to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the AC.</p> <p>The composition of the AC which meets the requirements of paragraph 15.09(1)(a) and (b) of the Main LR, its terms of reference, attendance of meetings by the individual members and the summary of activities are set out in the AC Report of 2023 Annual Report.</p> <p>All the directors have kept up to-date by attending continuous professional development to keep themselves abreast of relevant developments. A list of trainings attended by the directors are posted in the company website https://master.net.my/investor-relations/directors-training/</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors of Master-Pack Group Berhad acknowledges its overall responsibility for maintaining a sound and effective system of risk management and internal control system of the Group. The Group's risk management and internal control system is designed to meet the Group's needs in order to manage the risks associated with financial, operational, environment, social, governance and regulatory compliance on a continuous and systematic basis.</p> <p>The Audit Committee and Sustainability Committee have been entrusted with the responsibility of assisting the Board in discharging its fiduciary duties in relation to the management of risks and internal controls.</p> <p>The Audit committee assisted by a Risks Working Committee on a yearly basis comprehensively conducts an evaluates of all risks except sustainability risks and records the identified risks in the Risks and Opportunity Register which details the impacts and likelihood of such risks and action plans put in place to manage and mitigate such risks. The board has established a Risk Management Policy which sets the objectives, structure and provides the framework on effective risk management and internal control procedures.</p> <p>Whilst, the primarily responsibilities of the Sustainability Committee are to assist the Board in identifying risks and its accompanying internal controls relating to sustainability matters as well as the adherence to risks mitigation strategies and sustainability efforts undertaken by the Group.</p> <p>The Groups' internal control is embedded in the daily operational routine of processes and procedures. The standard operating procedures practice is in compliance with ISO 9001:2015 Quality Management System ("QMS") and ISO 14001:2015 Environment Management Systems ("EMS") which are audited by SIRIM on a yearly basis. The company also meets the high expectation of MNC customers by fulfilling their vendor profile criteria in ethical, environment and international regulatory practices in order to supply the customers Master-Pack products.</p> <p>There are other formalised and documented policies, standard operating procedures and work instructions on various functions</p>

	<p>beyond the scope defined by the QMS and EMS international guidelines such as human resources, management information system standard operating procedures as well as Master-Pack Code of Business Conduct. This enables the Group to communicate with all subsidiaries and ensure compliance with internal controls, relevant laws and regulations. Our policies and standard operating procedures are progressively reviewed and updated following changes in the latest laws and regulations.</p> <p>The Statement on Risk Management and Internal Controls provides an overview of the state of controls within the group is set out in the yearly Annual Report.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The features of its risk management and internal control framework are as follows:</p> <p>A. Board of Directors</p> <ul style="list-style-type: none"> • Provide oversight to ensure the maintenance of a sound and effective system of risk management and internal control • Approve risk management policy, framework and governance structures • Review AC , SC and Internal Audit reports on risks management and internal controls <p>B. Audit Committee / Sustainability Committee</p> <ul style="list-style-type: none"> • Audit Committee provides oversight on risk management and internal control matters pertaining to financial, operating ,integrity and governance risks • Sustainability Committee oversees risk management and risk mitigation pertaining to sustainability in integrated manner. • Assisted by out-source Internal Audit that performs audits to assess the adequacy and effectiveness if the risk management and internal control system. <p>C. Risk Working Committee and Heads of Department</p> <ul style="list-style-type: none"> • Manage identified risks and implement controls actions • Department Heads meeting to discuss key operational issues, business performance and mitigating controls <p>D. Risk Owners in various departments</p> <ul style="list-style-type: none"> • Identify potential and emerging risks face in performance of work • Manage identified risks on a day-to day basis, as guided by standard operating procedures <p>In accordance to the Risk Management Policy, each identified business process or function shall be assess as follows:-</p> <ol style="list-style-type: none"> i. Potential Failure / Risk Mode ii. Potential Effects of Failure iii. Severity estimated on a scale of 1 to 5 iv. Potential Causes/Mechanism failure v. Occurrence or likelihood in a scale of 1 to 5 vi. Current Process Controls – prevention or detection controls

	<ul style="list-style-type: none"> vii. Detection – An assessment of the ability of current process control to detect potential cause/ failure in a scale of 1 to 5 viii. Risk Priority Numbering - Severity X Occurrence X Detection ix. Recommendation plans for action or opportunities <p>The accompanying internal controls in place to manage, mitigate or avoid each identified risk were also tabulated in the Risk and Opportunity Register. The changes in risk appetite and areas where mitigation controls were strengthened were highlighted in a summary report tabled to the Audit Committee in November 2023.</p> <p>The Board through the Audit Committee reviewed the Group’s internal control based on audits carried out by the Internal, External Auditors as well as third party auditors from SIRIM.</p> <p>The key features of the group’s risk management and internal controls system as well as its adequacy and effectiveness are the set out in the Statement of Risk Management and Internal Controls of the Annual Report.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The Audit Committee is responsible to oversee the Company's Business Risks Management Framework and policies of the Group. The Audit Committee is assisted by a Risk Working Committee that on a yearly basis comprehensively conducts an evaluates of all business / operational risks except for sustainability risks.</p> <p>Members of the Audit Committee are as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Status of Directorship</th></tr></thead><tbody><tr><td>Encik Radhi bin Mohamad</td><td>Independent & Non-Executive Director - Chairman</td></tr><tr><td>Mr. Dharmik Rajkumar Sheth</td><td>Independent & Non-Executive Director</td></tr><tr><td>Mr. Chew Hock Lin</td><td>Non-Independent & Non-Executive Director</td></tr></tbody></table> <p>The Group has in place documented Risk Management Policies which provides guidance to employees to be more conscious of the risk management process and presents a standardised understanding on the application of risk management throughout the Group.</p>	Name	Status of Directorship	Encik Radhi bin Mohamad	Independent & Non-Executive Director - Chairman	Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director	Mr. Chew Hock Lin	Non-Independent & Non-Executive Director
Name	Status of Directorship									
Encik Radhi bin Mohamad	Independent & Non-Executive Director - Chairman									
Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director									
Mr. Chew Hock Lin	Non-Independent & Non-Executive Director									

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 31 December 2023, the Company has engaged the services of an independent professional consulting firm, Messrs JWC Consulting Sdn. Bhd., to carry out the internal audit functions of the Group in order to assist the Audit Committee in discharging its duties and responsibilities.</p> <p>The Internal Auditors role is to provide independent, reasonable and objective assurance that a sound system of internal control is in place, in addition to adding value by recommending measures to improve efficiency to the operations.</p> <p>The out-sourced Internal Auditors has direct access to the Chairman of Audit Committee and reports on the assessment of adequacy and effectiveness of the Group's control processes. The Internal Auditors also met the Audit Committee once on 29 February 2023 without the presence of any executive Board members / management staff.</p> <p>During the year 2023, the Audit Committee reviewed the risk based internal audit plan, reviewed the audit findings and management comments compiled into the Internal Audit Report which was tabled in the Audit Committee Meeting on 18 August 2023 and 29 February 2024 for the calendar year 2023.</p> <p>Based on the Internal Auditors' report for the financial year ended 31 December 2023, the system of internal control appears to be working adequately. Based on the work done there were no material weaknesses in the system of internal control that may affect the integrity of our financial statements. On-going actions were taken by management to rectify any weaknesses identified in all the internal audit reports.</p> <p>Based on assessment performed on 29 February 2024, the Audit Committee concluded that the Internal Auditors were independent in discharging their duties and responsibilities, had sufficient competency and resources to complete the audit functions effectively.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>Messrs JWC Consulting Sdn. Bhd. is headed by Joyce Wong Ai May and her team of 4 personnel. She is a graduate from the University of Tasmania with a Bachelor of Accounting and Finance. She is an Accountant by profession and is a member of the Malaysian Institute of Accountants as well as a Certified Practising Accountant, Australia.</p> <p>During the year 2023, the out-sourced Internal Auditors had declared their independence from members of the Board and the management of the group. The out-sourced internal auditors do not have any relationship with any Directors and / or major shareholders of the Company, or any conflict of interest with the Group that could impair their objectivity and independence in the course of their audit.</p> <p>During the year the internal audit team has sufficient resources and is able to access information to enable the audit to be carried out. The personnel assigned also had the competency, experience and resources to carry out the function effectively.</p> <p>The 2023 Internal Audit Plan tabled on 22 February 2023 and approved by the Audit Committee was duly carried out including follow up audits on findings of previous audit reports. The audit plan is a risk-based approach taking into consideration a rotational cycle on auditable scope and aligned to changes in business at the request of the Audit Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Announcements on important matters and financial results of the Group are promptly released to Bursa so that the investing public is provided with an overview of the performance and operations of the Group. The Group has a website at https://master.net.my/investor-relations/announcements/ where public announcements are also posted, in addition to announcement posted in Bursa Malaysia Berhad's website http://www.bursamalaysia.com.</p> <p>The Board supports and encourages active shareholders participation at our Annual General Meeting (AGM) and any other general meetings. In accordance with the Company's Constitution, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his/her behalf in any general meeting.</p> <p>The Company website at https://master.net.my/business-contacts-and-executive-team/ contains the company address, telephone numbers and emails address of management staff that stakeholders may easily communicate with.</p> <p>The company regularly communicates with the employees, customers and supply chain vendors with latest information to facilitate mutual understanding and expectations of Master-Pack business operations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Notice for the 29th Annual General meeting (“AGM”) held on 22 June 2023 was posted on 23rd May 2023 to the shareholders and was published on 23rd May 2023 in English Newspapers of News Straits Times. There is sufficient notice given to the shareholders being 31 days before the AGM which is more than the recommended MCCG best practice of at least 28 days.</p> <p>The 2022 Annual Report and the Corporate Governance was made available earlier as a letter to the shareholders were posted on 19 Apr 2023 indicating the website address and QR Code where the 2022 Annual Report and Corporate Governance Report can be downloaded.</p> <p>Printed copies of the Annual Report shall be provided to the shareholder upon request within four (4) market days from the date of receipt of fax or email request. A copy of the 2022 Annual Report and Corporate Governance Report can also be downloaded at https://master.net.my/wp-content/uploads/MPGB-AR2022.pdf and https://master.net.my/investor-relations/announcements/</p> <p>The adequate notice time given to shareholders allows them to review the annual report and make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. It also enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM.</p> <p>The notes to the Notice of AGM also provides information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM and their right to appoint 2 proxies</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>The full Board attended the 29th Annual General Meeting held on 22nd June 2023. Also in attendance were the external auditors, company secretaries, scrutineers and poll registrar. The Chairman of the Audit, Nominating and other Committees, Mr. Chew Hock Lin was also present at the AGM to respond to any questions.</p> <p>The shareholders attending the AGM had their identification check against the Register of Depositors prior to be allowed to attend the AGM physically.</p> <p>The Chairman welcomed all shareholders in attendance at the AGM and that the AGM acts as a principal forum for interactions with shareholders.</p> <p>The meeting was presided over by the Chairman and the proceedings were carried out by the Company Secretary. The Company Secretary confirmed the presence of the requisite quorum. He then explained to all shareholders in attendance the polling method and procedure of the AGM meeting. There was a total of 6 resolutions as set out in the Notice of AGM dispatched to the shareholders.</p> <p>The Company Secretary then proceeded to read each resolution, pausing to ask if there were any questions from the shareholders. The Chairman responded to questions raised, if any.</p> <p>The AGM was carried out smoothly and all resolutions were voted electronically and duly approved by the shareholders. An independent external party is appointed as scrutineer to verify the results of the electronic poll voting process and results of the polls were shown on the screens and announced immediately before ending the annual general meeting.</p> <p>The minutes of the AGM is available in the company website https://master.net.my/investor-relations/announcements/</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Despite the recommendation of Practice 13.3 that the Company should leverage on technology to facilitate voting including voting in absentia and remote shareholders' participation at the General Meeting. The Board is of the opinion that physical meeting provides interactive 2-way communication platform</p> <p>The 29th Annual General Meeting was held physically on the 22 June 2023 at Bukit Jawi Golf Resort, Penang. The AGM polling of the resolutions was conducted via electronic poll by Agriteum Share Registration Services Sdn. Bhd. and Symphony Corporate Services Sdn. Bhd. as the appointed scrutineer.</p> <p>Each shareholder shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The letter notifying shareholders of the 29 th Annual General Meeting was posted and published in the media on 23 May 2023. The Notice of General Meeting circulated to the shareholders clearly states that only shareholders whose name appear on the Record Of Depositors of MASTER as at 15 June 2023 shall be entitled to attend or to appoint proxies to attend to vote on his/her behalf. The duly completed proxy form must be deposited at the registered office not less than 48 hours before the time for holding the meeting. Pre-submission of questions is allowed from the date the shareholder receives the Notice of AGM until 21 June 2023 to the provided Company Secretary's email. Shareholders may also pose their questions during the AGM itself. This provides shareholders with sufficient time and opportunity to pose questions in support of meaningful engagement between the board, senior management and shareholders. The Chairman answered the questions on the spot during the physical meeting. Minutes of all questions and answers are later made available in the company website. On the day of the AGM, the Chairman welcome all attending shareholders to the meeting and proceeded to address the general meeting on the company's financial and non-financial performance. This provides shareholders with understanding of the company's achievements as well as forecast outlook of the current year.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the 29 th Annual General Meeting held on 22 th June 2023 was published in the Company's website https://master.net.my/wp-content/uploads/MPGB-29thAGM_Minutes.pdf within the prescribed 30 business days recommendations.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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