

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5065  
**COMPANY NAME** : Ornapaper Berhad  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") of Ornapaper Berhad ("Ornapaper" or "the Company") (collectively with its subsidiaries, "the Group") is ultimately accountable and responsible for the performance and affairs of the Company. The Board had established <b>Board Charter</b> for the Group whereby the Board delegates specific roles and responsibilities to its Board Committees and Chief Executive Director ("CED"). The Board leads the Group towards achieving its Mission and Vision, which is made possible by the Board in assuming among others, the following broad categories of roles and responsibilities:</p> <p><b>i. <u>Reviewing and adopting a strategic plan for the Group</u></b></p> <p>The mission and vision of the Group form the foundation of the business strategies of the Group. The Board actively plays its roles in the development of the Group's business strategies including monitoring the implementation and performance. It is the policy of the Board that any material capital expenditure and business expansion proposed by the Executive Directors in relation to the business strategies is to be tabled to the Board for review and approval.</p> <p>During the financial year under review, proposal for acquisition of factory building by its key operating subsidiary was proposed by the Executive Directors to the Board for deliberation and approval. The Board also reviewed and deliberated on the proposal for declaration of dividend to be paid.</p> <p><b>ii. <u>Promoting good corporate governance culture and practices</u></b></p> <p>The Board, being the highest governance body with the Group, is aware of its responsibility toward good corporate</p>

governance and is committed to bring and promote good corporate governance culture within the Group.

As at date of this report, the Board had updated **Board Charter** and other board and committee policies (with good corporate governance culture and practices) in line with latest Malaysian Code on Corporate Governance (“MCCG”) 2021. The charter and policies were reviewed and approved, if appropriate, by the Board to ensure good corporate governance culture and practices are embedded throughout the Group.

The Board, through the review of the draft Corporate Governance Report by the Audit Committee and reported to the Board, assesses the current standings of the corporate governance practices in comparison to the MCCG. The Board formulate action plans from time to time to address any departure from MCCG’s recommended practices, and to further enhance and promote good and recommended corporate governance practice.

**iii. Tone from the Top**

To set the tone from the Top, the Board had established the Code of Conduct to govern the standards of ethics and good conduct expected of Directors throughout the Group. At operational level, integrity and ethical value expected from the employees are incorporated in the Employees Handbook by the Management based on the values promoted in the Company’s Codes of Conduct. In order to further promote the integrity and ethical value, a formal Anti-Bribery and Corruption Framework had been put in place by the Board to prevent the risk of bribery and conflict of interest within the Group with a Whistleblowing Policy implemented to create an environment whereby stakeholders can whistle blow on improper behaviour without being victimised for doing so.

Please refer to Practice 3.1 and 3.2 for detailed disclosure on Code of Conduct and Whistleblowing Policy.

**iv. Overseeing the conduct of the Group’s business and evaluate whether the business is being properly managed**

Chief Executive Director (“CED”) is accountable to the Board for the achievement of the corporate objectives and for the observance of management authorities. CED shall be head of the Management of the Group and answerable to the Board in that manner.

CED is assisted by fellow Executive Directors who are tasked with the responsibility of overseeing the day-to-day

management of the business and operations of the Group. In addition, the Executive Directors attend weekly meetings with the management team to discuss and monitor on the progress of issues encountered in production, operational, sales and human resource. Thereafter, the management performance, under the leadership of Executive Directors is assessed by the Board through the financial performance and financial/ non-financial information presented by the Management on quarterly basis.

The Board, through Audit Committee, reviews the financial performance and financial/non-financial information updates provided by the Accounts Manager of the Company on quarterly basis. The financial performance of the group and its subsidiaries are compared to the corresponding quarter of preceding year to provide an indication of the state and performance of the company. Reason for the decline and increase in various financial indicators are analysed and deliberated during the meeting for any possible strategic decision required to address the shortcomings.

**v. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures**

The Board had setup a Board Risk Management Committee (“BRMC”) to oversee the risk management matters, including review of risk management framework and policies of the Group. The BRMC is responsible for identifying, analysing, evaluating, managing and monitoring potential and significant financial and non-financial risk. The BRMC will review the Risk Registers and determine the risks to be escalated to the Board once a year. The BRMC also tasked to review, together with other Committees, the Management and the Auditors, any significant risk and exposures and assess the steps taken to minimize such risk to the Group.

The Audit Committee, through the audit reports and guidance from External Auditors and Internal Audit Function, advises the Board on the adequacy and effectiveness of governance, risk and control structures and processes throughout the Group. The Audit Committee monitors the status of implementation of appropriate internal controls and mitigation measures through the Internal Audit Function’s management action progress report and update from the management and makes relevant recommendations to the Board to manage risks.

Further explanations on the risk management process are disclosed in the Statement on Risk Management and Internal Control in the Annual Report.

**vi. Succession planning and Performance Appraisal of the Board**

The Nomination Committee is tasked by the Board with the duty of succession planning for the Board and Key Senior Management, which includes the appointment, reappointment and training requirement for the Directors and Key Senior Management as well as the determination and assessment the performance of the Board, Board committees and individual directors.

Meanwhile, the Remuneration Committee is responsible to review and assess the remuneration packages of the Executive Directors and Key Senior Management as well as the Directors' fees of Non-Executive Directors ("NEDs").

The Board, together with the Executive Directors and the Management, put in place an informal structure and practice for succession planning by way of on-going identification and training of competent and calibre Second Line for key positions in the Group. To aid the process of succession planning and in ensuring the continuity of business and operations, key processes of the company are guided by standard operating procedures and job description of the key positions.

Further details on the role and responsibilities of the Nomination Committee and Remuneration Committee are disclosed in Practice 5.8 and 7.2.

**vii. Overseeing the development and implementation of a stakeholder communications policy for the Company**

The Board assumes the overall responsibility to ensure that all material information is communicated to stakeholders impartially on timely, accurate, clear and complete manner per Main Market Listing Requirement ("MMLR") and other relevant laws and regulations.

The Board ensures the stakeholders are kept informed of material events through the announcements made through Bursa Malaysia Securities Berhad ("Bursa Securities"). Announcements made through Bursa Securities are reviewed by the Executive Director prior to its release to confirm its factual correctness and subsequently confirmed by the Board during the Board meetings.

Further explanations on stakeholders' communication are disclosed in Practice 12.1.

**viii. Reviewing the adequacy and the integrity of internal control systems and management information systems (including**

**the integrity of the financial and non-financial reporting), including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines**

The internal control system of the Group is made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component.

The Audit Committee reviews the internal control system of the Group through the Internal Audit Function of the Group. The outsourced Internal Audit Function reviews the control systems of the Group based on the approved internal audit plan and outcomes of the reviews are reported to the Audit Committee on its adequacy and effectiveness (i.e. present and functioning).

The integrity of the financial reporting of the Group is also subjected to financial statements audits performed by the External Auditors. During quarterly meeting of Audit Committee, the draft financial statements are reviewed by the Audit Committee with the Management with key focuses on the accounting policies used, analysis of major changes in components of financial statements, major judgmental and risk areas, significant adjustments, the going concern assumption, compliance with accounting standards, compliance with MMLR and other legal requirements. For the annual audited financial statements, the Audit Committee reviews the annual statutory accounts, the Audit Report, issues and reservations arising from audits and the management letter (if any), with the External Auditors and the Management.

Further information on the Internal Audit Function of the Group is disclosed in the Statement on Risk Management and Internal Control in the Annual Report while works performed by the Audit Committee on the financial reporting are disclosed in Audit Committee Report in the Annual Report.

The Board ensure all directors possess required ability to read and understand financial statements of the Group by way of annual board skill evaluation performed and via such evaluation, to identify training needs to enhance financial and accounting capability of the directors (if any).

Based on the oversight activities of the Board on the conduct of the business and financial performance of the Group during the financial year under review, the members of the Board reviewed the financial statements of the Group based on the internal and external business environment and business

	<p>operations activities and performance provided by the Group Managing Director and Group Financial Controller, amongst other considerations.</p> <p><b>ix. <u>Sustainability management</u></b></p> <p>The Board had established a formal Sustainability Framework, detailing the governance structure and process to be implemented by the Management for the identification, prioritisation, monitoring and reporting of material sustainability matters pursuant to the MMLR and in compliance with Sustainability Reporting Guide issued by Bursa Malaysia Securities in material aspects.</p> <p>During the financial year under review, the sustainability matters report detailing the assessment outcome in identifying the material sustainability matters of the Group performed by the Management was compiled and presented by RSMC to the BRMC and Audit Committee for review and subsequent reporting to the Board.</p> <p>Please refer to the Sustainability Statement on the management of material economic, environmental and social risks and opportunities.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Being the head of the board, the Chairman of the Board is responsible for marshalling the effective functioning of the board in the interest of good corporate governance.</p> <p>The followings are the roles and responsibilities of the Chairman of the Board as established in the <b>Board Charter</b>:</p> <ol style="list-style-type: none"><li>i. Leading the Board in the adoption of good corporate governance practices in the Company and its subsidiaries;</li><li>ii. Providing leadership to the Board so that the Board can discharge its responsibilities effectively;</li><li>iii. Leading the Board in the oversight of the Management and ensure its effectiveness of all aspects of its role;</li><li>iv. Ensuring the efficient organisation and conduct of the Board's function, chairing Board meetings and discussion;</li><li>v. Setting the Board agenda and ensuring complete and accurate information is furnished to Directors on a timely basis to facilitate decision-making;</li><li>vi. Facilitating the effective contribution of all Directors at Board meetings by encouraging their active participation and allowing their dissenting views to be freely expressed;</li><li>vii. Promoting constructive and respectful relations within the Board, and managing the interface between the Board and Management;</li><li>viii. Ensuring appropriate steps are taken to provide effective communication with stakeholders and their views are communicated to the Board of the Company as a whole;</li><li>ix. Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meeting;</li><li>x. Ensuring general meetings support meaningful engagement between the Board, Key Senior Management and shareholders;</li><li>xi. Ensuring shareholders have the opportunity to participate in general meetings effectively; including having access to information they require to participate in discussions and cast informed votes;</li><li>xii. Maintaining effective professional relationship with external parties, investing public, regulatory bodies and trade associations; and</li><li>xiii. Facilitating the contribution of NEDs and ensuring constructive</li></ol>



	<p>relations be maintained between Executive and NEDs.</p> <p>xiv. Leading NEDs to meet among themselves, with no presence of the Executive Directors and the Management, at least annually to discuss among other strategic, governance and operational issues.</p> <p>The roles and responsibilities of the Chairman of the Board are stated in Paragraph 5.3 of the <b>Board Charter</b>, accessible at the “Investor Relations” section of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>During the financial year, Mr. Ang Kwee Teng, the Executive Chairman had resigned to pursue personal matters on 22 December 2021.</p> <p>In November 2021, the NEDs meet among themselves without the present of Executive Chairman and Executive Directors to discuss on others strategic, governance and operational issues. The Chief Operations Officer was invited by the NEDs to brief the NEDs on the Group’s business and operation issues faced by the Group and the Group’s strategies to solve the facing issues.</p>
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The position of the Chairman of the Board and Chief Executive Director ("CED") are held by different individuals. There is a clear and distinct division of roles and responsibilities between the Chairman of the Board and CED. The position of CED is held by Mr. Sai Han Siong while the position of the Chairman of the Board is held by Mr. Ang Kwee Teng. During the financial year, Mr. Ang Kwee Teng, the Executive Chairman had resigned to pursue personal matters on 22 December 2021.</p> <p>The roles and responsibilities for the Chairman and the CED are clearly established within the <b>Board Charter</b>, with the roles and responsibilities of the Chairman of the Board disclosed in Practice 1.2 above. In the nutshell, the Chairman of the Board is responsible for the governance, orderly conduct and effectiveness of the Board while the CED is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.</p> <p>In particular, CED is accountable to the Board for the achievement of the corporate objectives and for the observance of management authorities. CED shall be head of the Management of the Group and answerable to the Board in that manner. The roles and responsibilities for CED are as follows but not limited to:</p> <ul style="list-style-type: none"><li>i. To develop strategies and business objectives for the Company and its subsidiaries for review and approval by the Board of the Company and implementation thereof;</li><li>ii. To implement other Board's decision effectively and efficiently;</li><li>iii. To provide leadership in order to achieve the vision, management philosophy and business strategies;</li><li>iv. To ensure the efficiency and effectiveness of the day-to-day operations of the Company and its subsidiaries in accordance with authorities and delegations authorised by the Board of the Company;</li><li>v. To safeguard the assets of the Company and its subsidiaries;</li><li>vi. To ensure effective internal and external reporting of the Company and its subsidiaries;</li><li>vii. To ensure the efficiency and effectiveness of the operations of the Company and its subsidiaries and that</li></ul>

	<p>the business and affairs of the Company and its subsidiaries are carried out in an ethical manner and in compliance with applicable laws and regulations;</p> <ul style="list-style-type: none"> <li>viii. To assess business opportunities which are of potential benefit to the Company and its subsidiaries and to recommend major business opportunities for the Board of the Company’s consideration;</li> <li>ix. To communicate material and relevant matters to the attention of the Board of the Company timely and accurately for decision making; and</li> <li>x. To discharge the responsibilities delegated by the Board of the Company and to execute authorities delegated effectively and efficiently;</li> <li>xi. Ensure that the financial management practice of the Company and its subsidiaries is performed at the highest level of integrity and transparency;</li> <li>xii. Ensure the Company and its subsidiaries have adequate resources, has an effective management team and structure, develop management skills and put in place an effective management succession plan for business continuity;</li> <li>xiii. Ensure that adequate and effective governance, risk management and internal control system for the Company and its subsidiaries are instituted;</li> <li>xiv. Design, implement (subject to approval by the Board of the Company) and continuously improve the Group's Anti-Bribery &amp; Corruption Management (“ABCM”) as well as ensuring sufficient resources is allocated for such implementation at the Company and the subsidiary level;</li> <li>xv. Design, implement (subject to approval by the Board of the Company), continuously improve and promote the Group's sustainability management at the Company and the subsidiary level as well as ensuring sufficient resources is allocated for implementation thereof; and</li> <li>xvi. Implement group wide Code of Conduct and policies and procedures as well as ensuring sufficient resources is allocated for such implementation at the Company and the subsidiary level.</li> </ul> <p>The roles and responsibilities of the CED are stated in Paragraph 5.4 of the <b>Board Charter</b>, accessible at the “Investor Relations” section of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

<p><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></p>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	The Executive Chairman, Mr. Ang Kwee Teng is not a member of the Audit Committee ("AC"), the Nomination Committee ("NC"), Remuneration Committee ("RC") and BRMC. The Chairman has never been a member of AC, NC, RC and BRMC since the date of his appointment to the Board on 2 December 2002 till his resignation on 22 December 2021. Despite he is not a member of the Board Committees, during the financial year, he had been invited to participate in the Board Committee's meetings.
	The <b>Board Charter</b> with effect from 30 December 2021 had been updated with the policy whereby Chairman of the Board should not be a member of any Board Committees.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	The Board to ensure the Chairman of the Board is not a member of any of the Board Committees and the Chairman will not be participating in any of the Board Committees' meetings even by way of invitation.
<b>Timeframe</b> :	Within 1 year

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is assisted by qualified and competent Company Secretaries, Ms. Chua Siew Chuan (MAICSA 0777689/SSM PC No. 201908002648) and Ms. Yau Jye Yee (MAICSA 7059233/SSM PC No. 202008000733). Ms. Chua Siew Chuan is a Fellow member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") while Ms. Yau Jye Yee is an Associate member of MAICSA. All Company Secretaries are members of professional bodies and hold the required qualifications to act as Company Secretary under Section 235(2) of the Companies Act 2016.</p> <p>The appointment of the Company Secretaries is based on the capability and proficiency determined by the Board.</p> <p>The Company Secretaries are responsible for ensuring the Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretaries advise the Board on issues relating to corporate governance, compliance with laws, rules, procedures and regulatory requirements.</p> <p>The Company Secretaries attend and ensure that all Board meetings are properly convened, and accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.</p> <p>In particular, the Company Secretaries are to:</p> <ol style="list-style-type: none"><li>i. Manage all Board and Committee meetings, attend and record minutes of all Board and Committee meetings and facilitate board communications;</li><li>ii. Advise the Board on its roles and responsibilities;</li><li>iii. Ensure that there is good information flow within the Board and between the Board, Board Committees and Key Senior Management;</li><li>iv. Facilitate the orientation of new Directors and assist in director training and development;</li><li>v. Advise the Board on corporate disclosures and compliance with company, securities regulations and listing</li></ol>

	<p>requirements;</p> <ul style="list-style-type: none"> <li>vi. Keep abreast with corporate governance development and assist the Board in applying corporate governance practices to meet the Board’s needs and stakeholder’s expectation;</li> <li>vii. Manage processes pertaining to the shareholder meeting; and</li> <li>viii. Serve as a focal point of stakeholders’ communication and engagement on corporate governance issues.</li> </ul> <p>The Company Secretaries observe and undertake continuous professional education (CPE) as part of the professional body and licensing condition for Company Secretary.</p> <p>The roles and responsibilities of the Company Secretaries are included in Paragraph 5.7 of the <b>Board Charter</b>, accessible at the “Investor Relations” section of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>All the Directors were notified of the respective dates of scheduled Board meetings for the next financial year in November of every calendar year and the date of next board meeting was confirmed prior to the conclusion of the current meeting.</p> <p>The Chairman of the Board set the board meeting agenda and ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation. The notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed are circulated to all Directors no later than five (5) working days before scheduled Board meeting. Reasonable time is given for Board members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Board meeting. The Directors acknowledged receipt on the receipt of Board paper to signify the timely receipt and completeness of Board paper received. This is to ensure that the Directors were given sufficient time to obtain a comprehensive understanding of the issues to be deliberated upon at the meeting in order to arrive at an informed decision as well as to discharge their duties and responsibilities.</p> <p>The deliberations and decisions of the members including any dissenting views and Directors' abstention from deliberation and decision on related matters at Board and Board Committee meetings are documented in the minutes of meetings.</p> <p>The Chairman of the Board ensures the Board Committee meetings are not combined with the main Board meetings.</p> <p>Upon the completion of the meetings, the draft copy of the minutes of meetings were circulated by the Company Secretary in a timely manner for review, and subsequently during the next meeting, the content of the minutes was tabled for confirmation as correct record of the deliberations and decisions made and formally acknowledged by the Chairman of the Board or Board Committee. The minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.</p> <p>The Board members in their individual capacity have unrestricted</p>



	<p>access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities.</p> <p>Besides direct access to management staff, external independent professional advisers are also made available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.</p> <p>The above process is guided under paragraph 6.1 on Board Meetings of the <b>Board Charter</b> which is accessible at the "Investor Relations" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Ornapaper has a <b>Board Charter</b> which is subject to review and update as and when required in accordance with the needs of the Group and any new or changes in regulations that may have an impact on the discharge of the Board's responsibilities or at least once every three (3) years to ensure that they remain consistent with the Board's objective, current law and practices. A copy of the latest <b>Board Charter</b> is available at the "Investor Relations" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>The objectives of this <b>Board Charter</b> are to ensure that all Board members acting on behalf of the Company are aware of their fiduciary duties and responsibilities as the member of the Board and the various legislations and regulations affecting their conduct as well as the highest standards of corporate governance that are applied in all their dealings in respect, and on behalf of the Company.</p> <p>The <b>Board Charter</b> set out, amongst others, the key values, principles, policies and ethos of the Company, Board structure roles and responsibilities; Board activities and processes; relationship with management, shareholders and investors and Director's Code of Conduct.</p> <p>The roles and responsibilities of the Board, Chairman, CED, Executive Directors, NEDs, Board Committees and matters reserved for the Board are stated in Paragraphs 5.1 to 5.6 of the <b>Board Charter</b>.</p> <p>In conjunction with the release of the latest MCGG 2021 by the Securities Commission ("SC") on 28 April 2021, the Board had reviewed and updated the Board Charter in December 2021 with the incorporation of various changes and updates in the practices and guidance of the updated MCGG.</p> <p>Salient features of the <b>Board Charter</b>:</p> <ul style="list-style-type: none"><li>• Matters reserved for the Board — identifies key matters reserved for the Boards' approval include the following:</li></ul>

	<ol style="list-style-type: none"> <li>i. Approval of financial results</li> <li>ii. Approval of interim dividend and recommendation of final dividend, if any, for shareholders' approval</li> <li>iii. Issuance of new securities</li> <li>iv. Changes related to capital structure</li> <li>v. Annual business plan</li> <li>vi. Significant changes in accounting policies and practices</li> <li>vii. Annual financial budget</li> <li>viii. Acquisition or disposal of material capital expenditure</li> <li>ix. Acquisition or disposal of group companies</li> <li>x. Changes to structure, size and composition of the Board</li> <li>xi. Review conflict of interest situation</li> <li>xii. Risk management policies</li> <li>xiii. Corporate governance practices</li> <li>xiv. Approval of appointment, resignation and removal of Company Secretary</li> <li>xv. Approval of appointment of external auditors</li> <li>xvi. Approval of establishment of Board Committees</li> <li>xvii. Assessment of performance of Directors, Board and Board Committee</li> <li>xviii. Approval of Directors' remuneration</li> <li>xix. Approval of Board members' fees and benefits</li> <li>xx. Amendments to Constitution</li> <li>xxi. Recommend the convening of general meetings</li> </ol> <ul style="list-style-type: none"> <li>• Board Committees - terms of reference or roles and responsibility prescribed in policy of respective Board Committee established and approved by the Board with Chairman of respective Board Committee to report to the Board on the outcome of the Committee meetings and minutes to be made available to the Board. The Board had established Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee.</li> <li>• Roles Profile – defines and clearly separate the roles and responsibility of the Board, the Board Committees (governed by formal terms of reference), Chairman of the Board, CED, Executive Directors, Non-Executive Directors and Company Secretaries.</li> <li>• Delegation of Authorities to Management – defines that the Board authorities conferred on the Management is delegated through CED who is accountable to the Board. Such delegation of authority of key processes by CED is supported by assignment of authority as defined in relevant policy and procedures.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Time Commitment – sets the expectation on the devotion of sufficient time and effort by Board members in discharging their responsibilities with reasonable due care, skills and diligence and all Board members are required to notify the Chairman of the Board indicating the time that will spent on the new appointment before accepting any new directorship or significant commitment outside the Company. In order to ensure that the Directors have sufficient time to focus and fulfil their roles and responsibilities effectively, Directors are required to provide written confirmation on the total number of directorships on annual basis. All Directors shall be subject to the requirements of sole-proprietorship, partnership, executive directorship and non-executive directorship per Fit and Proper Policy. None of the Directors holds directorships for more than five (5) public listed companies as required under Paragraph 15.06(1) of MMLR. The requirement on time commitment is stated Paragraph 4.4 of the <b>Board Charter</b>.</li> <li>• Board and Member Assessment – sets out the requirement for the Board through Nomination Committee to assess the effectiveness of the Board, Board Committees and individual members on annual basis.</li> </ul> <p>The Board has not identified and appointed a Senior Independent Director from among its members whom the shareholders and other stakeholders can access fully and directly as well as concerns may be conveyed to.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Ornapaper has established a Code of Conduct (“the Code”) intended to apply to every Directors, officers and employees of the Company and its subsidiaries. The Code also applies to the Group’s business associates when performing their work or services for and on-behalf the Group. The Code is made available at the “Investor Relations” section of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>The Code is reviewed as and when required and updated in accordance with the needs of the Group and any new or changes in regulations that may have an impact on the discharge of the responsibilities of every Directors, officers and employees or at least once every three (3) years. The last review of the Code was performed in December 2021.</p> <p>The Code establishes standard to ensure that working environment and condition are safe and healthy, workers are treated with respect and dignity, and business operation are conducted ethically and all affected personnel are expected to observe and adhere to the highest standards of professional and personal conduct. The Code is aimed to provide guidelines on the expected behaviour and conduct of all the employees and also to serve as a tool to guide the affected personnel’s action when dealing with both internal and external parties.</p> <p>The fundamental in adopting the Code is to ensure that all business activities are in full compliance with the laws, rules and regulations of the country in which it operate. If a law of the country conflicts with a rule or policy set out in this code, affected personnel should comply with the law.</p> <p>The Code of Conduct sets out the value uphold by the Company for each stakeholder.</p> <p>The principles of the Code and standards include:</p>

	<ul style="list-style-type: none"> <li>i. Respecting Others – unlawful discrimination; working hours; wages and benefits; safety and health; humane treatment; communication; continuous development</li> <li>ii. Serve Our Customers – serving the customer with integrity; competency; handling of customers assets</li> <li>iii. Avoiding Conflict of Interest – business integrity (including zero tolerance on bribery); no improper advantage; disclosure of information; no trading on insider information; fair business, advertising and competition</li> <li>iv. Preserve Confidentiality and Privacy</li> <li>v. Anti-money laundering</li> <li>vi. Corporate Citizenship</li> </ul> <p>The Code forms the cornerstone for the establishment of the integrity and ethical value expected from the employees which are incorporated in the Employees Handbook.</p> <p>To foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Group, a formal Anti Bribery and Corruption Framework had been put in place by the Board to prevent the risk of bribery and conflict of interest within the Group with Whistleblowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity. The Anti Bribery and Corruption Framework is accessible at the “Investor Relations” section of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>The Group is opened to receive input from stakeholders in the continue development and implementation of the Code of Conduct and adopt the best practice where possible.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has set up a Whistleblowing Policy aims to provide all Directors, employees of the Group and other interested parties to confidentially reports to independent governance body (Audit Committee) on any concerns related to matters covered by the Group's Code of Conduct, legal issues and accounting or audit matters. Whistle-blower will be accorded with protection of confidentiality of identity and protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed.</p> <p>The Whistleblowing Policy is administered by the Group's Top management and overseen by the Audit Committee. The email address of the Chairman of Audit Committee is provided for reporting of malpractices to independent third party.</p> <p>The Audit Committee is responsible to investigate and if required, makes appropriate recommendations to the Board with respect to all reported concerns. The Audit Committee has authority to obtain legal advice, consultants or other resources to conduct a full or detail investigation of the allegations.</p> <p>The Whistleblowing Policy is available at the "Investor Relations" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a> for ease of access for reporting by employees and interested parties of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

## Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to Board Charter, one of the key roles and responsibilities of the Board is to oversee the development and implementation of Sustainability Policy for the Group (including its subsidiaries) to manage economic, environment and social matters in relation to the businesses of the Group and to ensure that the strategic plan of the Company and its subsidiaries supports long term sustainability (including evaluate economic, environmental and social matters of the Company and its subsidiaries regularly).</p> <p>The sustainability management of the Group is governed by the Sustainability Framework established by the Board on 9 April 2018 with latest update on 30 December 2021.</p> <p>The principles of each core components of sustainability, i.e. economic, environment and social, are specified clearly to act the foundation of sustainability management of the Group.</p> <p>Formal governance structure of the sustainability management of the Group is established within the Sustainability Framework whereby the roles and responsibilities of the Board, the Board Risk Management Committee ("BRMC") (as the governance oversight function), the RSMC and the Head of Departments are specified.</p> <p>In particular, the Board assume the ultimate responsibilities for and the oversight roles for the sustainability management on group wide basis (including integration of sustainability management from strategy setting to daily business operations and align the proposed remuneration of the Directors and Key Senior Management personnel of the Group on performance on management of sustainability risks and opportunities) while the Chief Executive Director together with the Executive Director are delegated with the duties to implement</p>

	<p>Sustainability Framework and management of sustainability risks and opportunities of the Group (including identification, assessment and responses to sustainability risks and opportunities).</p> <p>The Sustainability Framework specifies the sustainability matters assessment and prioritisation process (including seeking the feedbacks from stakeholders via stakeholders' engagement methods established), criteria used in such assessment, review standings and formulation of responses. The results and responses of the sustainability assessment is fed into the risk management process of the Group for its continuous monitoring per Group Risk Management Framework established.</p> <p>Please refer to the Sustainability Statement published together with the Annual Report of the Company for the financial year under review for the sustainability management activities, performances and responses formulated.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to Sustainability Framework, communication with interested stakeholders achieved through various means, including:</p> <ul style="list-style-type: none"><li>• establishing communication channels that are available at all times for stakeholders to provide their views and feedback including complaints;</li><li>• conducting engagement forum/ townhall sessions;</li><li>• meeting and interview with institutional investor, analyst, media and other stakeholders when necessary;</li><li>• electronic feedback form available in the Company's website;</li><li>• press release on matters relevant to sustainability management; and</li><li>• annual sustainability statement published in the Annual Report.</li></ul> <p>In particular, Sustainability Statement published together with the Annual Report for the financial year under review and guided by Sustainability Reporting Guide issued by Bursa Securities.</p> <p>The contents of the Sustainability Statement published include the scope of the statement, sustainability principles employed, governance structure with summary of responsibilities, sustainability assessment process employed, stakeholders engagement activities, sustainability management activities and sustainability matters identified (including material sustainability matters), corresponding risk register material sustainability matters identified for monitoring, responses implemented or to be implemented for material sustainability matters and other sustainability matters, target established and actual performances of material sustainability matters and other sustainability matters.</p> <p>Please refer to the Sustainability Statement published together with the Annual Report of the Company for the financial year under review for the sustainability management activities, sustainability matters identified, responses formulated and actual performances.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the responsibilities of the Board of the Company is to evaluate the sustainability risks and opportunities regularly, including taking into consideration of the changes in the external business environment or affect the interests of the stakeholders. On the other hand, the RSMC led by the Chief Executive Director and Executive Director is tasked to conduct periodic review of all sustainability matters affecting the Group and the adequacy of the response(s) implemented and formulated with update to the BRMC on scheduled interval or as and when required due to change in internal or external environment. Meanwhile, heads of department/division of the Group are assigned with the duty to continuous monitor sustainability matters under his/her responsibilities with escalation to RSMC for decision.</p> <p>During the financial year review, the RSMC reported to the BRMC and the Board of the Company of the results of the sustainability assessment, material sustainability matters identified and responses implemented (including sustainability strategies formulated). With such escalation mechanism put in place, the BRMC and the Board are kept informed by the RSMC of the sustainability risks and opportunities faced by the Group and relevant responses and monitoring mechanism put in place such that sustainability risks are minimised and opportunities optimised for long term sustainability of the Group.</p> <p>The members of the Board are made up of senior executives and professionals in the fields of business management, legal, accountancy and taxation as well as possess the required skill, knowledge and experience for sustainability management which they gain through their past working or professional experiences. The knowledge on the sustainability management was supplemented by the trainings attended by the Director. With such backgrounds, the members of the Board are able to contribute to the timely identification of changes in sustainability risks and opportunities or emergence of new sustainability risks or opportunities, to ensure adequate responses formulated to address such risks or optimise such opportunities and to continuously improve the maturity of the sustainability management within the Group.</p>

	<p>The Board members' capacity and competency on sustainability management and whether the Board as a whole possess the right mixed of skill, knowledge and size to proactively oversee the sustainability management and stakeholders management was assessed by the Nomination Committee in February 2022 and reported to the Board for its review and decision on whether changes to the composition of the Board is required or training in relation to the sustainability management is required to strengthen the Board's sustainability oversight responsibility.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In order to ensure that the Board as a whole possess the right mixed of skill and knowledge as well as size to proactively oversee the sustainability management and stakeholder management of the Group including members of the Board possess the required capacity and competency on sustainability management and to evaluate sustainability risks and opportunities faced and identification of training needs on sustainability management, the assessment was performed by the Nomination Committee via <b>Board and Board Committee Evaluation Form</b> in February 2022 during its annual performance evaluation exercise.</p> <p>Based on the results of the above assessment, the Nomination Committee and the Board were satisfied that the members of the Board possess the required capacity and competency to tackle question and to deliberate on the sustainability management of the Group and that the Board as a whole possess the right mixed of skill and knowledge as well as size to proactively oversee the sustainability management and stakeholder management of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

*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.*

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	



## Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee ("NC") is responsible to assist the Board in recommending the appointment of Directors and members of Key Senior Management and re-appointment of members of the Board of the Company and its subsidiaries. The NC also assesses the performance of the Directors of the Company and its subsidiaries on an on-going basis as well as overseeing the succession planning and talent management for the Board and Key Senior Management of the Group.</p> <p>During the financial year under review, the NC had reviewed the <b>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-appointment of Director</b> and <b>Policy on Independence Assessment of Independent Directors</b> as well as established the <b>Fit and Proper Policy</b>.</p> <p>In February 2021, NC had reviewed the board composition as well as assessed and deliberated on the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director. Based on the results of the assessments, NC was satisfied with the composition of the Board and Board Committees, the boardroom diversity as well as the mix of skills and experiences of the members of the Board.</p> <p>Pursuant to Chapter 7.26 of the MMLR, Paragraph 120 of the <b>Constitution</b> of Ornapaper and Paragraph 4.2 (h) of the <b>Board Charter</b>, at least one-third (1/3) of the Directors or the number nearest to one-third (1/3), shall retire by rotation at each Annual General Meeting ("AGM") and at least once every three (3) years but eligible for re-election by the shareholders.</p> <p>In April 2021, the NC had decided on the Directors who are due for retirement by rotation and the Director's eligibility to stand for re-election at the 19<sup>th</sup> AGM. Based on the outcome of the NC's review and upon deliberation by the Board, the Board resolved to approve the proposed re-election of Mr. Ang Kwee Teng and Mr. Sai Ah Sai at the 19<sup>th</sup> AGM.</p> <p>During the same meeting, NC also reviewed the independence of the</p>

	<p>Independent Non-Executive Directors (“INEDs”) including the consideration of the INEDs’ tenure of service. NC took note that the tenure of an INED should not exceed a cumulative term of nine (9) years. If the Board intends to retain an INED beyond 9 years, justification should be provided by the Board and approval from shareholders shall be sought at AGM and to retain an INED twelve (12) years, the Board to provide justification on the retention seek for shareholders’ approval through two-tier voting process pursuant to Practice 4.2 of MCCG 2017.</p> <p>From the independent assessment performed and independence declaration obtained from all INEDs, NC was satisfied with the Mr. Siow Kee Yen and Datuk Adilah binti Ahmad Nordin’s performance and contributions in discharging their duties as the INEDs for the Company and believes that they would continue to bring independent and objective judgement to the Board and Board Committee deliberations despite they have been serving the Board as INEDs for a cumulative term of more than 12 years.</p> <p>Upon due deliberation, the Board approved the proposed retention of Mr. Siow Kee Yen and Datuk Adilah binti Ahmad Nordin via seeking shareholders’ approval through two-tier voting process at the 19<sup>th</sup> AGM which was held on 11 June 2021. The updated two-tier voting process as per Practice 5.3 of MCCG 2021 will be applicable for resolutions tabled at general meetings held after 1 January 2022 and therefore will be complied by the Company at the forthcoming 20<sup>th</sup> AGM.</p> <p>Meanwhile in February 2022, as part of the annual board evaluation, NC reviewed the tenure of individual members of the Board including the assessment of the individual directors’ contribution to the proper governance of the Board and required skill, knowledge and competency. Based on the above evaluations, the NC and the Board were satisfied that the current board composition and the tenure of each director were able to fulfil the current and future needs of the Group for long term business sustainability and that the re-appointment of the directors in the forthcoming 20<sup>th</sup> AGM are supported by the satisfactory performance and contribution of such directors to the proper governance and oversight responsibilities of the Board.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	

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

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

### Practice 5.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>As at the date of this report, the Board comprises six (6) members of which three (3) are Executive Directors and three (3) are Independent Non-Executive Directors (“INEDs”). Half of the Board comprises INEDs.</p> <p>The Board consists of qualified and professionals with diverse experience, background and knowledge in the areas of accounting, legal and general management. The independent directors are made up of professional in the field of auditing, taxation and legal.</p> <p>In order to ensure independent and objective judgement are brought to the Board’s deliberation by genuine independency of the independent directors and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensure the independence of the independent directors whom will be assessed by Nomination Committee (“NC”) prior to their appointment based on formal nomination and selection process with the results of the review are reported to the Board for consideration and decision.</p> <p>The appointment, re-appointment and annual independence and objectivity assessment of the Independent Directors are governed by <b><i>Fit and Proper Policy, Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</i></b> and <b><i>Policy on Independence Assessment of Independent Directors</i></b> established by the Board.</p> <p>NC was satisfied with the composition and competency of the Board based on the Board performance evaluation conducted by the NC during the financial year under review. In particular, NC was satisfied that the Board was of the right size, right proportion, adequate degree of independence and have the right mix of expertise, experience and skills to discharge its responsibilities and duties well and efficiently. Furthermore, NC had obtained independence declaration from all 3 INEDs to assess and ensure that their independence and objectivity are not diminished over time and potential areas of conflict that may impair the independence of the independent directors had been resolved, if any.</p> <p>All 3 INEDs had demonstrated their independence and objectivity during Board and Board committees’ proceeding, whereby genuine</p>

	concerns were raised during the meetings, and action or transactions proposed or taken by the Management and the Board were subject to their scrutiny.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>It is stated in the revised <b>Board Charter</b> effective from 30 December 2021, under Paragraph 4.6 that the tenure of an Independent Director shall not exceed a cumulative of nine (9) years. Upon completion of the 9 years, such Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In the event such director was to be retained as Independent Director, the Board must justify and seeks shareholders' approval through a two-tier voting process. To justify retaining an Independent Director beyond the term limit of 9 years, the Board should undertake a rigorous review to determine whether the "independence" of the Director has been impaired governed by <b>Policy on Independence Assessment of Independent Directors</b>. Findings from the review should be disclosed to the shareholders in the notice of general meeting for them to make an informed decision.</p> <p>Amongst the Independent Directors of the Company, Mr. Siow Kee Yen and Datuk Adillah binti Ahmad Nordin had served on the Board for more than 9 years and are subjected to two-tier voting at the forthcoming 20<sup>th</sup> Annual General Meeting ("AGM").</p> <p>As part of independent assessment performed in April 2022 through Annual Self-Assessment of the Independence of Independent Director and written independence declaration, the Nomination Committee ("NC") and the Board was unanimous in their opinion that their independence have not been compromised or impaired in any way. Mr. Siow Kee Yen who is the Chairperson of NC and Datuk Adillah binti Ahmad Nordin being one of the members of NC had abstained from all deliberations in respect of the recommendation of their own retention as Independent Director. The Board deliberated that the length of their service on the Board did not interfere their independent judgement and they remained objective and independent in participating in the deliberations and decision making of the Board and respective Board Committees. Furthermore, with the number of years on the Board, the incumbent knowledge of the Company and the Group's activities and corporate history in their role as independent directors, it is invaluable for the Board to maintain them</p>

	<p>as Independent Directors.</p> <p>Based on the above justification, the Board recommends and supports the continuity of office of Mr. Siow Kee Yan and Datuk Adillah binti Ahmad Nordin as Independent Directors of the Company at the forthcoming 20<sup>th</sup> AGM.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	



## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes that by having highly qualified persons with sufficient and relevant knowledge, skills and competency to serve as members of the Board and as part of Key Senior Management of the Company and its subsidiaries ("the Group") contribute to the preservation and advancement in the governance and operations of the Group.</p> <p>The responsibility of the nomination and appointment of Directors (including reappointment of Directors) and members of Key Senior Management is delegated to the Nomination Committee ("NC") by the Board of Ornapaper. The duties and responsibilities of the NC are detailed in its <b>Terms of Reference</b>, which is accessible for reference on the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>During financial year ended 31 December 2021, there was no new directorship and new member of key senior management being appointed.</p> <p>The appointment of new Directors and members of Key Senior Management to the Board and Board Committees is through recommendation of candidates for all directorships to the NC for consideration, nomination and assessment prior to recommending the candidate(s) to the Board for approval. In making its recommendations, the NC shall ensure person nominated for appointment as Directors or member of Key Senior Management as well as the existing directors seeking for re-appointment possess the required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Group per "Criteria for Nomination and Appointment" as stated in the <b>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</b> as follow:</p> <ul style="list-style-type: none"><li>• Fit and proper</li><li>• Skilled and diverse background</li></ul>

	<ul style="list-style-type: none"> <li>• Boardroom and key senior management diversity (knowledge, skills, experience, race, age and gender)</li> <li>• Knowledge and skill on sustainability oversight and management</li> <li>• Independence of Independent Director</li> </ul> <p>The Board had in December 2021 put in place a <b>Fit and Proper Policy</b> to ensure the any candidate nominated for appointment as the Directors and members of its Key Senior Management including or re-appointment of existing Directors possesses the required character, experience, integrity, competence and time in discharging their role effectively. For the purpose of establishing whether a person is fit and proper to act as the Directors of the Company and as a member of Key Senior Management, the NC and Board to ensure they possesses the required criteria per “Fit and Proper Criteria” as defined in the <b>Fit and Proper Policy</b> as follow:</p> <ul style="list-style-type: none"> <li>• Probity, personal integrity and reputation</li> <li>• Financial integrity</li> <li>• Experience and competence</li> <li>• Time and commitment</li> </ul> <p>In ensuring the Directors appointed is able to devote the required time to the Board effectively, pursuant to Paragraph 15.06 of the MMLR, the Board had incorporated policy in the <b>Board Charter</b> whereby all Directors shall be subject to the requirements of sole-proprietorship, partnership, executive directorship and non-executive directorship as per the <b>Fit and Proper Policy</b> and in any event, should not hold more than five (5) directorships in public listed companies.</p> <p>In December 2021, the Board had revised and updated the <b>Board Charter</b> with the incorporation of policy whereby active politician shall not be appointed and re-appointed as a member of the Board of the Company and its subsidiaries pursuant to Guidance 5.5 of MCCG 2021.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The <b><i>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Board Charter</i></b> state that the Nomination Committee (“NC”) shall develop a pool of potential candidates for consideration for such vacancy and shall not solely rely on recommendation from existing Board members, Management or major shareholders for the nomination of new Director and to utilise independent sources to identify suitably qualified candidates.</p> <p>Independent sources include but not limited to, recommendations from external auditors, other professional firm and other corporate director registry if the appointment is in relation to a Director of the Company.</p> <p>In appointing an appropriate individual to the Board, the NC shall first consider and recommend to the Board the suitable candidate for directorship taking into consideration and upon the possess the required character, experience, integrity, competence and time commitment in discharging his roles in managing, directing and overseeing the Group in the best interests of its shareholders, customers, employees, communities it serves and other affected parties. The Nomination Committee would assess their suitability based on a prescribed set of criteria as set out in the <b><i>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy</i></b>.</p> <p>The procedure for nomination and appointment of Director as defined in the policy and procedure established are as follow:</p> <ol style="list-style-type: none"><li>1. Recommendation received through duly completed “Director Recommendation Form” (with his/her written consent of to be a Director and make a declaration that he is not disqualified from being appointed or holding office as a Director of a company under the Companies Act 2016) and relevant</li></ol>

	<p>supporting documents per Section D- Review and Assessment for fit and proper;</p> <ol style="list-style-type: none"> <li>2. To evaluate and shortlist potential candidate(s) based on “Criteria for Nomination and Appointment”;</li> <li>3. To conduct an interview and proportionate due diligence check; and</li> <li>4. To recommend the potential candidate(s) to the Board for consideration and decision</li> </ol> <p>All existing Non-Executive Directors of the Company were recommended by the Board members and existing shareholders of the Company.</p> <p>Detailed information on the process undertaken by NC including its process of identifying and appointing a candidate can be found in the <b><i>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy</i></b> published on the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Profile of Directors section of the Annual Report discloses the Directors' name, age, nationality, gender, qualification, working experience, directorship in other companies, 5 years history of conviction for offences and any conflict of interest as well as their shareholding in Ornapaper.</p> <p>The recommendation of re-appointment of Director (including Independent Directors seeking continuation in office as independent director by way of two-tier voting) at the forthcoming 20th AGM was subjected to the re-appointment process as per the <b><i>Policy and Procedures on Nomination and Appointment of Director and Senior Management and Re-Appointment of Director</i></b> and the <b><i>Fit and Proper Policy</i></b> duly performed by the Nomination Committee before recommendation to the Board for its consideration and decision before recommendation to the shareholders. Such Director seeking for re-appointment had abstained himself/herself from the review, assessment, discussion and decision in relation to his/her re-appointment during such meetings. Such re-appointment was only recommended to the Board for review and final decision before recommendation to the shareholder upon satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of such Directors by the Nomination Committee.</p> <p>Based on the above process and satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of the Directors seek for re-appointment in forthcoming 20th AGM, the Board is of the view that all Directors seek for re-appointment in the forthcoming AGM are fit and proper with no interest that is conflict with the interests of the Group or with such interest mitigated to the satisfaction of the Board, able to commit sufficient time to discharge his/her duties and responsibilities as a Director of the Company, able to contribute positively to the business success and long-term sustainability of the Group and its oversight responsibilities and the</p>

	<p>independence of the Independent Directors is not impaired through passage of time and long relationship with the Company and the Executive Directors and Key Senior Management.</p> <p>In order to facilitate the informed decision by the shareholders in relation to the re-appointment of directors in forthcoming AGM, a disclosure of the details of interest, position or relationship of such directors individually that might influence, or reasonably be perceived to influence, in a material respect in relation to the independent judgement to be brought to the Board and to act in the best interests of the Group and that the Board recommends to the shareholders to re-appoint such Directors based on the satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of such directors performed will made in the notes accompanying the notice of the forthcoming 20<sup>th</sup> AGM.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 5.8

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee (“NC”) is chaired by Mr. Siow Kee Yen, an Independent Non-Executive Director (“INED”), as per the <b><i>Terms of Reference of Nomination Committee</i></b> whereby the Chairperson of NC shall be an Independent Director. The duties and responsibilities of Nomination Committee, led by the Chairperson, are as follows:</p> <ul style="list-style-type: none"><li>• To establish minimum requirements for the Board and the Chief Executive Director to perform their responsibilities effectively including overseeing the overall composition and diversity of the Board.</li><li>• To consider and recommend to the Board nominated candidate for appointments as Directors and Key Senior Management.</li><li>• To consider and recommend to the Board such existing Director of the Company and its subsidiaries seeking for re-appointments.</li><li>• To evaluate the ability of candidates for the position of INEDs to discharge such responsibilities and functions as expected from INEDs.</li><li>• To consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees of the Company to facilitate effective decision-making.</li><li>• To ensure that individuals standing for election should make the necessary declaration to the Board and shareholders on any existing or potential conflict of interest including whether they have a business, family or other special relationship within or outside of the Company that could affect the execution of their role as Directors on the Board.</li><li>• To review the size of Non-Executive Directors participation, Board balance and determine if additional Board members are required and also to ensure that at least 1/3 of the Board members is independent and recommend to the Board of Directors the nominees to fill the seats on Board Committees.</li><li>• To assess the effectiveness of the Board of Directors as a whole, Board Committees and the contribution of each individual Director, including the Chairman, the INEDs, as well as the Chief Executive Director (“CED”) based on assessment criteria recommended by NC annually.</li><li>• To include performance of the Board and Key Senior</li></ul>

	<p>Management in addressing the Company's material sustainability risks and opportunities as one of the criteria in assessing the performance of the Board and Key Senior Management.</p> <ul style="list-style-type: none"> <li>• To review the performance of the Audit Committee and the term of office and performance of each of its member.</li> <li>• To develop and review the criteria used for the selection process of new directors and annual assessment of the Board, Board Committees and individual Directors.</li> <li>• To ensure every Director is subject to retirement at least once in every three (3) years and to recommend to the Board, candidates for re-election of Directors, to be approved by shareholders, pursuant to the Company's Constitution.</li> <li>• To ensure that the shareholders have the information required to make an informed decision on the appointment and re-appointment of a Director, including declaration on any conflict of interest, together with a statement with reasons as to whether it supports the appointment or re-appointment of the candidate.</li> <li>• To perform independent assessment to determine the independence of each individual INEDs.</li> <li>• To formulate and review the nomination, selection, appointment and succession policies and plans for members of the Board, Board Committees and Senior Management.</li> <li>• To identify training needs of individual Directors and CED and shall from time to time identify suitable orientation, educational and training programme for continuous professional development of Directors and CED in ensuring they receive appropriate continuous training programme (including sustainability management) in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.</li> <li>• To oversee the development of a succession planning framework and talent management for the Board members of the Company and Key Senior Management of the Group and regularly review succession planning for all Directors and Key Senior Management to promote Board renewal and address any vacancies.</li> <li>• To act in line with the directions of the Board of Directors.</li> <li>• To consider and examine such other matters as the NC considers appropriate.</li> </ul> <p>In compliance with Paragraph 15.08(A)(1) of MMLR, NC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows: -</p> <ul style="list-style-type: none"> <li>• Mr. Siow Kee Yen (Chairman, Independent Non-Executive Director)</li> <li>• Datuk Adillah binti Ahmad Nordin (Member, Independent</li> </ul>
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	<ul style="list-style-type: none"> <li>Non-Executive Director</li> <li>Mr. Tan Chin Hwee (Member, Independent Non-Executive Director)</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Presently, there is one (1) female Independent Non-Executive Director on the Board of the Company and the Company continues to promote gender diversity with focus on supporting the representation of women in the composition of the Board and senior level of management shall such potential candidate is available.	
		The Board is supportive of gender diversity in the boardroom and senior level of management. The Board aims to have at least one (1) woman representation on the Board as stated in Paragraph 4.1 of the <b>Board Charter</b> and Paragraph C (3) of the <b>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</b> .	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board is supportive to have at least 30% female representative on Board as and when such potential candidate and position is available.	
<b>Timeframe</b>	:	Within 3 years	

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supportive of age and gender diversity within the Group including the workplace, with a focus on supporting the representation of women and relevant age group at the Board and Key Senior level of management within the Group shall such potential candidate is available.</p> <p>The Board aims to have at least one (1) female representative at the Board as stated in the annual report, such targets has been updated and included under Paragraph 4.1 of the <b>Board Charter</b> and Paragraph C (3) of the <b>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</b>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>On annual basis, the Nomination Committee (“NC”) reviews the required mix of skills and experience and other qualities, including core competencies which the Directors should bring to the Board. The Board had implemented a process to be carried out by the NC annually for the assessment and feedback to the Board on the effectiveness of the Board as a whole, Audit Committee (and its composition) and the contribution of each individual Directors for discussion and acceptance and for further improvement.</p> <p>During the financial year under review and up to the date of this report, the Board, through Nomination Committee, conducted the Board and Board Committee Evaluation and Directors’ Self-Evaluation for individual Directors. On the other hand, the assessment on the effectiveness of Audit Committee and its composition was performed by the Nomination Committee through Audit Committee Members’ Peer Performance Evaluation and Audit Committee Evaluation.</p> <p>The Board performance evaluation evaluates the Board based on the following areas and criteria:</p> <ul style="list-style-type: none"> <li>a) Board Composition – Board size and proportion; mix of expertise and skills.</li> <li>b) Board Information – Concise &amp; timeliness in receiving; communication on Information needs; presentation of information; information availability for decision making; education, training and leadership development.</li> <li>c) Board Process – time allocation; communications; risk awareness and focus on high-risk areas; access to management; orientation programme for new director on Board process; deliberation process.</li> <li>d) Board Accountability – Stakeholder consideration; Company’s business process understanding; business sustainability; communication with Board, Board members, Management</li> </ul>

	<p>and shareholders; compliance law and regulations; social and environment responsibility; Board Committees function.</p> <p>e) Chief Executive Officer / Top Management – Communications on Board’s goals; performance evaluations; succession planning.</p> <p>f) Standard of Conduct – appropriate questions; disclosure of personnel interests in transactions and abstain from voting.</p> <p>While the Board Committees’ performance evaluation (Audit Committee, Nomination Committee, Remuneration Committee) performed by Nomination Committee are based on the following criteria:</p> <p>(a) Having the right composition.</p> <p>(b) Provide useful recommendation in assisting the Board for better decision-making.</p> <p>(c) Members have sufficient, recent and relevant expertise in fulfilling their role.</p> <p>(d) Proper discharging of responsibilities by Board Committee chairs.</p> <p>(e) Appointments of Board and Board Committees chairmen based on appropriate criteria.</p> <p>(f) Quality communications.</p> <p>(g) Well prepared and comprehensively minuted meeting minutes</p> <p>(h) Board informed of Board Committee’s deliberation sufficiently and on timely basis.</p> <p>The self-assessment for individual directors assesses the individual Board member’s roles, responsibilities and functions based on the criteria established by the Nomination Committee which includes the understanding and support for the Company’s mission and goals; participation in Board meeting; understanding of the role and fiduciary responsibilities as Board member; knowledge on listing requirements and MCCG; conflict of interest; participation on the Board and training requirements.</p> <p>On the other hand, the criteria stated on Audit Committee Members’ Peer Performance Evaluation are as below: -</p> <p>a) Exhibition on trustworthiness, dynamic participation, integrity, capability in handling conflict, interpersonal ability and the enthusiasm to tackle problems proactively.</p> <p>b) Appropriateness of experience to meet the objectives of the Audit Committee’s Terms of Reference, including financial literacy.</p> <p>c) Participation of ongoing education to improve the understanding of pertinent regulatory, accounting, reporting, auditing and industry issues.</p> <p>d) Level of analyse and evaluates the Company’s business and risk environment.</p> <p>e) Level of understanding on the Company’s significant financial and non-financial risk, compliance processes, financial and statutory reporting requirements, significant accounting</p>
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policies, accounting estimates and financial reporting practices.

The Chairman of Nomination Committee evaluated the Audit Committee through Audit Committee Evaluation Form based on the criteria of quality and composition, skills and competencies as well as meeting administration and conduct.

As an important independent element within the Board, individual independent non-executive directors performed self-assessment of his independence based on the criteria as per MMLR. Confirmation and declaration by the Independent Directors were obtained in relation to compliance of Paragraph 15.05 and 15.06 of MMLR.

The above evaluation had been carried out and deliberated by the members of the Nomination Committee and the summary result of the assessment was presented by the Chairperson of Nomination Committee to the Board.

The Company Secretary circulated to each Director with the relevant assessment and review forms/questionnaires in relation to the aforementioned evaluations with sufficient time for the relevant Directors to complete in advance of the meeting of the Nomination Committee and the Board in order for the Company Secretary to collate the assessment/review results for the Nomination Committee to review and report to the Board.

With the above evaluation processes, the Board, through the Nomination Committee, reviewed and assessed its required mix of skills and experience and other qualities, including core competencies which directors should bring to the Board, and the size and composition of the Board to ensure that it has the appropriate mix of skills and competencies to lead the Group effectively.

The above assessments and evaluations were conducted without engaged the services of independent third party.

Based on the above assessments, the Board was satisfied with the existing board composition and was of the opinion that the Board, individual directors and Audit Committee of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively. Other than that, the Nomination Committee was of the opinion that its present size and composition is optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.

In addition, based on the above assessments performed on Audit Committee and its composition, the Board was of the opinion that the Audit Committee and its members had carried out their duties in accordance with its terms of reference.

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

## Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Ornapaper assumes the overall responsibility to establish and implement effective remuneration policy for the members of the Board and Key Senior Management. The <b>Remuneration Policy for Directors and Senior Management</b> ("Remuneration Policy") was last reviewed on 30 December 2021 by the Remuneration Committee ("RC") prior to recommendation to the Board for approval. The responsibility of the implementation of the Remuneration Policy is delegated to RC by the Board. The Policy will be reviewed every three (3) years by the RC and report to the Board or as and when required. The recommendations for changes to the Remuneration Policy will be proposed by RC to the Board for deliberation and approval.</p> <p>The Remuneration Policy outlines the guiding principles for the remuneration of the Directors and Senior Management of the Group.</p> <p>The objectives of the Remuneration Policy are as follow:</p> <ul style="list-style-type: none"><li>- to enable the Group to attract and retain highly qualified members to enable the Group to provide a well-balanced and competitive Directors and Key Senior Management compensation package.</li><li>- to ensure that the interests of Executive Directors (including Executive Directors of the subsidiaries) and Key Senior Management of the Group are aligned with the business strategy, risk appetite, values and medium to long-term sustainability of the Group and is consistent with the "pay-for-performance" principle.</li><li>- to promote strong teamwork culture among the Executive Directors of the Company and its subsidiaries and Key Senior Management of the Group.</li><li>- to instil transparency and openness in the review and approval of compensation package of the Board's members and Key</li></ul>



### Senior Management of the Group

The RC assesses the Executive Directors' (including Executive Directors of the subsidiaries) remuneration packages so as to recommend the Executive Directors' remuneration packages to the Board for approval. The Executive Directors shall be abstained from participating in the discussion with respect to their remuneration packages. Executive Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall be abstained from voting at general meetings to approve fees and benefits in relation to such interested Director. The remuneration package and fees of the Directors shall be reviewed by RC at least once annually and to report the results of the review to the Board for deliberation and approval.

The principal components of compensation for Executive Director consist of fixed and variable compensation and other customary benefits as follow:

- Fixed Salary – which is determined based on his/her knowledge, skills, experience and responsibilities assigned and shall subject to annual review by the RC taking into consideration, including but not limited to, the performance of respective Executive Directors (including sustainability management), country of assignment, country specific annual inflation rate, market rate of pay and etc.
- Director's Fees – fixed sum determined based on his/her knowledge, skills, competency, responsibilities assigned and contributions to the Board.
- Variable compensation- designed to reward Executive Directors for the respective entity's financial performance and individual director performance. Variable Compensation shall not include commission on or percentage of sales.
- Benefits and Other Arrangements – other benefits-in-kind based on their contractual agreements, local customs and comparable arrangements for comparable senior executive in the industry.

Non-Executive Directors' remuneration comprises of fixed fees that are determined based on his/her knowledge, skills, competency, responsibilities assigned and his/her contributions to the Board and the Board Committees. Director's fees for Non-Executive Directors shall take into consideration the performance of individual Non-Executive Directors in overseeing the management of material sustainability risks and opportunities. Allowances also granted to Non-Executive Director for the purpose to defray cost/expenses incurred by him/her in carrying out the responsibilities assigned in respect of the Board and the Board Committees in which he/she is a member. Such compensation for Non-Executive Directors shall not be subject to financial performance of the respective entity and shall not include cash bonus schemes and equity vesting entitlements to prevent

	<p>potential conflict with their primary role as an independent representative of stakeholders.</p> <p>Non-Executive Directors shall be abstained from deliberation and approval of his/her own compensation during the motion to deliberate and approval of his/her compensation by the Board. Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall be abstained from voting at general meetings to approve fees in relation to such interested Director.</p> <p>The Directors' fees and variable compensation and other allowances for Executive Directors and Non-Executive Directors are subject to the approval of shareholders at the annual general meeting.</p> <p>The principal elements of the Key Senior Management remuneration program consist of fixed and variable compensation, benefits and other arrangements, and is generally set to provide market competitiveness to attract, retain and motivate executives of highest calibre to competently manage the company. The remuneration of the members of Key Senior Management shall be reviewed by the Chief Executive Director ("CED") and subsequently by the RC at least once annually and to report results of the review to the Board for deliberation and approval.</p> <p>The Remuneration Policy is made available for download from the "Investor Relations" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>The RC had held a meeting in November 2021 during the financial year ended 31 December 2021 to review the proposed Directors' fees and allowances for Non-Executive and Executive Directors and proposed basic salary, bonus and benefits in kind ("BIK") of Executive Directors as well as proposed basic salary, bonus and BIK for Senior Management. Such recommended director fees and remuneration packages were submitted to the Board for approval or recommendation to shareholders, as applicable.</p> <p>The Board maintains that the current remuneration for each category of Directors commensurate with that adopted by companies of similar standing and is sufficient to attract and retain Directors and Senior Management of high calibre.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee ("RC") was formed to assist the Board in reviewing and determining the remuneration packages of the Directors and Key Senior Management based on their merit, qualification and competency. The policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Key Senior Management are governed by the <b>Remuneration Policy for Directors and Senior Management</b> ("Remuneration Policy") implemented by the RC and approved by the Board.</p> <p>The RC is guided by formal Terms of Reference approved by the Board which states the composition requirement, authorities, roles and responsibility of the committee. The Terms of Reference of Remuneration Committee is available on the "Investor Relation" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>The RC comprises of three (3) Independent Non-Executive Directors, which follows the requirement of MCCG whereby the RC should only consist of non-executive directors and a majority of them must be Independent Directors. Such requirement had been updated in the terms of reference and approved by the Board. The composition of the Remuneration Committee is stated in the Corporate Information of the Annual Report.</p> <p>The RC is responsible for reviewing and recommending to the Board, the remuneration packages of the Executive Directors, Directors' fees of the Non-Executive Director and the remuneration packages of Key Senior Management. In making its recommendation, the RC adheres to the principle of remunerating based on the Group's performance as well as individual performance as stated in the Remuneration Policy. The RC does not possess the authority to make decisions on behalf of</p>

	<p>the Board. Its role is merely that of making recommendations for the Board's approval.</p> <p>It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Directors and Key Senior Management. The Executive Director concerned would be abstained from discussion and decision on his own remuneration. The Board as a whole determines the remuneration package of Non-Executive Directors based on their experience and level of responsibilities undertaken. All Non-Executive Directors are paid a fixed fee which subject to the approval of shareholders at Annual General Meeting and Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board who are shareholders would be abstained from voting at General Meetings to approve their fees.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supportive of transparent and detailed disclosure on named basis for the remuneration of individual directors.</p> <p>Major remuneration components of the Directors include Directors' salary, fee, bonus, meeting attendance, car allowance and benefits in-kind and employer's contribution for Employees Provident Fund ("EPF"), Social Security Organization ("SOCSO") and Employment Insurance System ("EIS").</p> <p>A summary of remuneration packages of the Directors of the Company who served during the financial year Ended 31 December 2021 was as set out in the table below.</p> <p>The employer's contribution to the EPF, SOCSO and EIS are included in the table below under "Other Emoluments" column.</p>

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	Sai Chin Hock	Executive Director	-	2.50	-	-	-	-	2.50	56.00	2.50	476.80	250.00	-	32.50	817.80
2	Ang Kwee Teng	Executive Director	-	3.00	-	-	-	-	3.00	78.80	21.00	134.40	12.00	21.15	9.82	277.17
3	Sai Han Siong	Executive Director	-	3.00	-	-	-	-	3.00	112.00	3.00	628.60	284.00	40.43	121.68	1,189.71
4	Sai Ah Sai	Non-Executive Non-Independent Director	15.00	2.50	-	-	-	-	17.50	56.00	2.50	82.00	10.00	-	0.44	150.94
5	Datuk Adilah binti Ahmad Nordin	Independent Director	56.00	3.00	-	-	-	-	59.00	56.00	3.00	-	-	-	-	59.00
6	Siow Kee Yen	Independent Director	56.00	3.00	-	-	-	-	59.00	56.00	3.00	-	-	-	-	59.00
7	Tan Chin Hwee	Independent Director	56.00	3.00	-	-	-	-	59.00	56.00	3.00	-	-	-	-	59.00
8	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
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board
<b>Explanation on application of the practice</b>	:	<p>The remuneration packages of Key Senior Management consist of fixed salary, sales commission (if any), bonus, car and travel allowances (if any), and benefits in-kind.</p> <p>The remuneration of top five Key Senior Management, including salary, bonus, allowance, commission (if any), Employer's contribution for EPF, EIS and SOCSO and other emoluments in bands of RM50,000 for financial year ended 31 December 2021 are set out in the table below.</p> <p>The employer's contribution to the EPF, SOCSO and EIS are included in the table below under "Other Emoluments" column.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Lim Joo Song	Chief Operations Officer	350,001-400,000	Choose an item.	50,001-100,000	0-50,000	50,001-100,000	550,001-600,000
2	Bung Choon Kong	General Manager	250,001-300,000	Choose an item.	50,001-100,000	0-50,000	0-50,000	350,001-400,000
3	Alan Kang Chee Hwee	Assistant General Manager	150,001-200,000	Choose an item.	0-50,000	0-50,000	0-50,000	200,001-250,000
4	Foo Chee Jun	Director/General Manager	100,001-150,000	Choose an item.	0-50,000	0-50,000	0-50,000	150,001-200,000
5	Teng Say Yeong	General Manager	150,001-200,000	Choose an item.	0-50,000	0-50,000	0-50,000	200,001-250,000

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company complies with the requirement under Malaysian Code on Corporate Governance ("MCCG") whereby the Chairman of the Audit Committee is not the Chairman of the Board. Such requirement is also reflected in the <b><i>Terms of Reference of the Audit Committee</i></b>.</p> <p>The Chairman of the Audit Committee is Mr. Siow Kee Yen and he fulfils the requirement under Paragraph 15.09(1)(c)(i) and Paragraph 7.1 of Practice Note 13 of MMLR and possesses strong financial literacy skills, where he is a member of the Malaysian Institute of Accountants and a partner of an external audit firm in Malaysia. He is not the Chairman of the Board. The Chairman of the Board is Mr. Ang Kwee Teng.</p> <p>Please refer to the Profile of Directors section of the Annual Report for further details on the qualification and experience of the Chairman of Audit Committee.</p> <p>The principal objectives of the Audit Committee are to assist the Board of Directors in discharging its statutory and fiduciary duties and responsibilities relating to accounting and reporting practices of the Group and the Company. In addition, the Audit Committee, led by the Chairman shall: -</p> <ul style="list-style-type: none"><li>a) evaluate the quality of the audits performed by the internal and external auditors;</li><li>b) provide assurance that the financial information presented by management is relevant, reliable and timely;</li><li>c) oversee compliance with laws and regulations and observance of a proper code of conduct; and</li><li>d) determine the quality, adequacy and effectiveness of the Group and Company's control environment.</li></ul> <p>The Terms of Reference of Audit Committee detailing the composition, authorities, duties and responsibilities is available for download from the "Investor Relations" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p> <p>A summary of activities of the Audit Committee, led by the Chairman are disclosed in the Audit Committee Report of the Annual Report.</p>

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The <b><i>Terms of Reference of Audit Committee</i></b> includes the requirement of former partner of the external audit firm of the Group (including all former partners of the audit firm and/or the affiliate firm) to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. Such requirement in the terms of reference had been reviewed and revised by the Audit Committee and approved by the Board in December 2021.</p> <p>This is to ensure that the independence of the audit process is safeguarded from the potential threats and conflicts which may arise when a former key audit partner joins the Company.</p> <p>The current Audit Committee members appointed were not key audit partner prior to appointment.</p> <p>The <b><i>Terms of Reference of Audit Committee</i></b> are available for download from the "Investor Relations" section of the Company's website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has formally approved the adoption of <b><i>Policies and Procedures to Assess the Suitability and Independence of and the Provision of Non-Audit Service by External Auditors</i></b> on 3 April 2017. The policy was last reviewed and approved by the Board on 30 December 2021. The responsibility of the implementation of the above policies and procedures is delegated to the Audit Committee by the Board and the outcome of the review are recommended to the Board on annual basis or at other appropriate times for consideration to recommendation to the shareholders.</p> <p>The criteria used for the annual assessment of suitability of External Auditors for appointment and reappointment includes the following:</p> <ol style="list-style-type: none"><li>1. Qualifications of the External Auditors;</li><li>2. Technical expertise and capability of the External Auditors in relation to the size and business complexity of the Group;</li><li>3. Resources (including senior personnel assigned to the audit) available/provided by the External Auditors in relation to the size and business complexity of the Group;</li><li>4. Suitable size of the External Auditors in relation to the size and complexity of the Group;</li><li>5. Size of the External Auditors in relation to the existing client base of the External Auditors;</li><li>6. Independence of the External Auditors;</li><li>7. Professionalism and responsiveness demonstrated by the External Auditors;</li><li>8. Overall conduct of the audits by the External Auditors; and</li><li>9. The appropriateness of audit fees to support quality audit.</li></ol> <p>Audit Committee also ensure that the provision of non-audit services by External Auditors and their network firms/companies does not impair the objectivity and independence of the External Auditors.</p> <p>The assessment of the performance, suitability and independence of the External Auditors by Audit Committee is performed using External Auditor Evaluation Form with prescribed criteria recommended by Corporate Governance Guide issued by Bursa Securities. The</p>

evaluation criteria include calibre of the firm, quality process and performance, knowledge and skillsets of audit team, independence and objectivity, audit scope and planning, audit fees and audit communication.

In February 2021, the Audit Committee was presented with a report prepared by the External Auditor, Crowe which outlined the key audit matters, a summary of corrected and uncorrected misstatements, significant related parties transactions and balances, development in accounting standards, internal control observations, expected opinion on the audit of financial statements, going concern, results from the review of Statement on Risk Management and Internal Control and draft Annual Report for financial year ending 31 December 2020. During the same meeting held in February 2021, the Audit Committee noted that the retiring External Auditor had indicated their willingness to continue in office and had offered themselves for re-appointment as External Auditors of the Company for the ensuing year at the 19<sup>th</sup> Annual General Meeting (“AGM”).

Based on the annual performance evaluation performed on the External Auditors as well as considering the view and input from the Finance team who had direct interaction with the External Auditors, the Audit Committee noted that Crowe has the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirement. In addition, to the best knowledge of Audit Committee, Crowe does not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants (“MIA”) which has not been reversed by the Disciplinary Board of MIA as well as failure to comply with their conditions of registration with the Audit Oversight Board. The Audit Committee also took into consideration of the effective working relationship the External Auditor had with the Management and Management’s feedback on their satisfaction on the audit service rendered by Crowe.

The Audit Committee was of the opinion that Crowe, being the External Auditors are suitable and able to deliver the assurance engagement professionally and diligently with sufficient level of independence and objectivity under the relevant laws and regulations based on and forthwith recommended to the Board for reappointment subject to shareholders’ approval during the 19<sup>th</sup> AGM, having considered the external auditors had performed audit services to the Company satisfactorily in term of quality and timeliness since it was appointed and had put in place an internal quality control processes to mitigate quality as well as independence and objectivity risks. The appointment of Crowe as External Auditors of Ornapaper Berhad was subsequently approved by the shareholders at the 19<sup>th</sup> AGM held on 11 June 2021.

In November 2021, the External Auditors presented to the Audit



	<p>Committee the Audit Plan for financial year ending 31 December 2021 which set out the audit approach, areas of audit emphasis (including assessment on impact of COVID-19), group audit approach, COVID-19 considerations, considerations of works internal auditor, reporting and deliverables, management communication channels, engagement team, fraud consideration, responsibilities of the directors and management as well as the external auditors. Through the presented Audit Plan during the same meeting, the External Auditors also confirmed on their independence and objectivity for the audit engagement for the financial year under review in accordance with ISA 300: Planning an Audit of Financial Statements and By-laws of the MIA. The nature of non-audit services provided by Crowe and the quantum of the fees were also reviewed by the Audit Committee and the Audit Committee was satisfied that the provision of these services did not in any way compromise their independence. This formed part of the annual assessment conducted by the Audit Committee on the suitability, objectivity and independence of the External Auditors before recommending their reappointment to the Board for the shareholders' approval to be sought at the forthcoming 20<sup>th</sup> AGM to be held in 2022.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>At present, the Audit Committee comprises solely of Independent Directors and the requirement on the Audit Committee to comprise solely of Independent Directors is included in the <b><i>Terms of Reference of Audit Committee</i></b>. The details of the members of the Audit Committee are disclosed in the Profile of Directors section of the Annual Report.</p> <p>The Audit Committee comprises of three (3) members, all of whom are Independent Non-Executive Directors as follows: -</p> <ul style="list-style-type: none"><li>• Mr. Siow Kee Yen (Chairman, Independent Non-Executive Director)</li><li>• Datuk Adillah binti Ahmad Nordin (Member, Independent Non-Executive Director)</li><li>• Mr. Tan Chin Hwee (Member, Independent Non-Executive Director)</li></ul>

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied			
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee consist of members who have wide range of necessary skills to discharge its duties. The members of Audit Committee include partner of audit firms and experiences in the field of management consultancy and legal. The details of the qualifications and experiences of the members of the Audit Committee are disclosed in Profile of Directors section of the Annual Report.</p> <p>During the financial year ended 31 December 2021, all members of Audit Committee are financially literate, with majority of the members are members of Malaysian Institute of Accountants ("MIA"). The Audit Committee in discharging its duties, review the quarterly results and annual financial statements and recommended to the Board for approval before releasing to the public. The Audit Committee also reviews the appropriateness of the Company's and Group's accounting policies and the changes to these policies as well as ensures the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable accounting standards.</p> <p>For detail disclosure of the activities undertaken by the Audit Committee, please refer to the Audit Committee Report in the Annual Report.</p> <p>The members of Audit Committee undertook continuous professional development(s) to keep them abreast of relevant industry developments as required by the respective professional bodies and trainings in the field of accounting, auditing, taxation and regulatory developments. The trainings attended by individual members of Audit Committee are shown in the following table:</p> <table border="1"><thead><tr><th>Member of Audit Committee</th><th>Name of Conference/Talk/Seminar</th><th>Organiser</th></tr></thead></table>	Member of Audit Committee	Name of Conference/Talk/Seminar	Organiser
Member of Audit Committee	Name of Conference/Talk/Seminar	Organiser			

	<b>Attended or Participated</b>	
Siow Kee Yen	MIA Webinar Series: New Era for Transfer Pricing - Top 10 Questions Answered	Malaysian Institute of Accountants
	Learn to Develop, Build Upon and/or Appreciate the Importance of the Capital Statement in Tax Audits	Chartered Tax Institute of Malaysia
	Current Tax Issues on Interest Expense	Chartered Tax Institute of Malaysia
	MIA Webinar Series: Modified Auditor's Report	Malaysian Institute of Accountants
	Tax Agents under Section 153(3) of the Income Tax Act 1967	Chartered Tax Institute of Malaysia
	MIA Webinar Series: Impact on Auditor Reporting of COVID-19 and MCO Restrictions	Malaysian Institute of Accountants
	Workshop on The Decision to Litigate: Tax Appeals and Choice of Forum	Chartered Tax Institute of Malaysia
	Seminar Percukaian Kebangsaan 2021	Lembaga Dalam Hasil Negeri, Malaysia
	Updates on Malaysian Code of Corporate Governance 2021 (MCCG 2021)	NeedsBridge Advisory Sdn Bhd
	Datuk Adilah binti Ahmad Nordin	Updates on Malaysian Code of Corporate Governance 2021 (MCCG 2021)
Tan Chin Hwee	Practical Issues on the Beneficial Ownership Reporting of Shares	Institute of Approved Company Secretaries
	Secretarial Issues on Post-Incorporation Matters, Auditors, Directors, Shares and Beneficial Ownership Reporting	Institute of Approved Company Secretaries
	Assessing and Commenting on the Practice Notes &	Institute of Approved Company

		Directives Issued by Companies Commission of Malaysia	Secretaries
		Updates on Annual Return, AGMS, Accounts and Audit in COVID Era	Institute of Approved Company Secretaries
		MIA Webinar Series: Capital Reduction & Members' Voluntary Winding Up	Malaysian Institute of Accountants
		Updates on Malaysian Code of Corporate Governance 2021 (MCCG 2021)	NeedsBridge Advisory Sdn Bhd
<b>Explanation for departure</b> :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b> :			
<b>Timeframe</b> :			

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal controls to safeguard the shareholders' investment and the Group's assets as well as establishes the risk appetite of the Group. The BRMC is delegated with the oversight role.</p> <p>The Board has put in place a formal and structured <b>Group Risk Management Framework</b>, including a <b>Risk Management Policy</b> as the governance structure and processes for the risk management on enterprise wide in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively.</p> <p>The <b>Group Risk Management Framework</b> specify the structured risk management process, where each step of the risk and opportunity identification, evaluation, control identification, treatment and control activities are laid down for application by the RSMC and Risk Owners.</p> <p>The Group's risk management is embedded into key processes at all levels of the organisation structure whereby respective Head of Departments (as Risk Owners) are delegated with the responsibility to continuously identify, evaluate and manage the existing and emerging risks, resulting from changes to the internal and external environment faced by the Group by formulating and implementing adequate and effective internal controls to minimise the risk exposure. The risk and opportunity assessment, at gross and residual level, are guided by the likelihood rating and impact rating that was established based on the risk appetite acceptable by the Board.</p> <p>Internal Audit function is established to review the adequacy and effectiveness of the risk management and internal control system. The Group's internal audit function is outsourced to an independent professional firm who reports directly to the Audit Committee.</p> <p>Further explanation on the risk management and internal control system within the Group, including the process of identification, assessment and monitoring of key business risks are disclosed in the Statement on Risk Management and Internal Control in the Annual</p>

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

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board delegates the duty of identification, assessment and management of key business risks to RSMC while the oversight roles are delegated to BRMC (for risk management) and Audit Committee (for internal controls) whereby BRMC and Audit Committee are assigned with the duty, vide Group Risk Management Framework and Terms of Reference respectively as approved by the Board, to provide assurance to the Board on the adequacy and effectiveness of risk management and internal control systems of the Group respectively.</p> <p>The principles, practices and process of the <b>Group Risk Management Framework</b> established by the Board are, in material respects guided by the ISO 31000:2018 – Risk Management Guidelines.</p> <p>Structured risk management process is stipulated in the <b>Group Risk Management Framework</b> approved by the Board, whereby each step of the risk identification, risk assessment and risk treatment as well as control activities are laid down for application by the RSMC and the Risk Owners, i.e. respective Managers and Heads of Department. Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board based on the risk appetite acceptable by the Board that are stipulated in the Framework.</p> <p>Key Risk Registers were compiled by RSMC and then be submitted to the Chief Executive Director/Executive Director for his review. The BRMC will review the final result of the updates through the compiled Key Risk Registers therefrom made available to the BRMC by the RSMC. The BRMC to subsequently report results of such update to the Board for its final review and deliberation. The Key Risks Register is used for the identification of high residual risks which are above the risk appetite of the Group that requires the RSMC and the Board's immediate attention and risk treatment as well as for future risk monitoring.</p> <p>Please refer to the Statement on Risk Management and Internal Control for the further disclosures on the features risk management framework and internal control system as well as the opinion of the</p>



	Board on the state of the risk management and internal control system within the Group.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board Risk Management Committee ("BRMC"), which comprises wholly of Independent Directors, was established by the Board with formal terms of reference approved by the Board.</p> <p>Further, the roles and responsibilities of the BRMC in relation to risk management is also prescribed within the Group Risk Management Framework and includes review, assess, formulate and recommend risk strategies, framework, policies, processes, tolerance and risk appetite to the Board.</p> <p>Further disclosures on the roles and responsibilities of the BRMC are disclosed in the Annual Report's Statement on Risk Management and Internal Control.</p>

## Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn Bhd who reports directly to the Audit Committee with unrestricted access to the Group's employees and documents in the performance of their engagement. The audit engagement of the outsourced internal audit function is governed by the engagement letter, Internal Audit Charter as well as the Terms of Reference of the Audit Committee.</p> <p>The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review by the Audit Committee and for its reporting to the Board for ultimate approval. The scope of review by the outsourced internal audit function is determined through the internal audit plan, determined and approved by the Audit Committee with feedbacks from Key Senior Management. In assisting the Audit Committee in discharging its oversight role for the internal audit function, the Audit Committee, through the reports tabled by the outsourced internal audit function, was able to assess and review the outsourced internal audit function in terms of the qualification, experience, exposure and continuous professional development of the outsourced internal audit function during the financial year under review. The performance, independence and objectivity of the internal audit function is formally evaluated by the Audit Committee through Evaluation for Internal Audit Function Form adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad.</p> <p>In ensuring the internal audit function is functioning effectively and independently, the <b><i>Terms of Reference of the Audit Committee</i></b> provides the following oversight role of the Audit Committee which includes the following:</p> <ul style="list-style-type: none"><li>• review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;</li><li>• ensure that the internal auditor continuously keep abreast with developments in the profession, relevant industry and policies with updates of the internal audit team's resources, skillset and training on at least an annual basis;</li><li>• review the internal audit reports and results of the internal audit process and ensure that appropriate and necessary corrective actions are taken on the recommendations of the</li></ul>

	<p>internal audit function in a timely manner to address control weaknesses, noncompliance with regulatory requirements and other problem identified by the internal audit function;</p> <ul style="list-style-type: none"> <li>• review and approve internal audit plans and scope of audit;</li> <li>• review any appraisal or assessment of the performance of members of the internal audit function and be satisfied that the internal audit should be carried out objectively and is independent from Management of the Company and the functions which it audits and report its findings directly to the Audit Committee; and</li> <li>• review and approve budget or fees for the internal audit function.</li> </ul> <p>During the financial year ended 31 December 2021, in accordance with the internal audit plan (and any amendments thereof) approved by Audit Committee, the internal audit function conducted review for Production Management for one (1) key manufacturing subsidiary in Malaysia as well as a review of the Company’s governance practices, structures and related policies and procedures in relation to MMLR and MCCG 2021 (including anti-bribery and corruption and whistleblowing).</p> <p>Upon the completion of the internal audit field works during the financial year, the internal audit reports were presented to Audit Committee during its scheduled meetings. During the presentation, the internal audit findings priority level, risk/potential implication, recommendations as well as management responses/action plans and person-in-charge together with date of implementation were presented and deliberated with Audit Committee. Apart from the internal audit reports, updates on the implementation progress of action plans formulated per previous internal audit reports were presented to Audit Committee during the financial year for review and deliberation. The outsourced internal audit function also reported its staff strength, qualification and experience as well as continuous professional education for the Audit Committee’s review during the same meeting.</p> <p>The oversight role of the Audit Committee and the activities taken by the Audit Committee on the internal audit function during the financial year are disclosed in the Audit Report’s Audit Committee Report and Statement on Risk Management and Internal Control while the Terms of Reference of Audit Committee is available for download from the “Investor Relations” section of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Company is outsourced to an independent professional firm, NeedsBridge Advisory Sdn Bhd who reports directly to the Audit Committee with unrestricted access to the Group's employees and documents in the performance of their engagement. The audit engagement of the outsourced internal audit function is governed by the engagement letter (which include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the Management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, the proposed fees and engagement team) and Internal Audit Charter (which include purpose and mission, its roles, professionalism required, (including adherence to the Institute of Internal Auditors' mandatory guidance), its authorities, reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring and quality assurance and improvement programme) which are reviewed by the Audit Committee and its recommendation to the Board for approval.</p> <p>Based on the formal evaluation of internal audit function and review of the works performed and deliverables by the outsourced internal audit function during the financial year, the Audit Committee and the Board are satisfied:</p> <ul style="list-style-type: none"><li>• that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;</li><li>• with the scope of the outsourced internal audit function;</li><li>• that the outsourced internal audit function possesses relevant experience, knowledge, competency and authority to discharge its functions effectively, possesses sufficient resources and has unrestricted access to employees and information for the internal audit activities; and</li><li>• with the internal audit plan, the processes, the results of the internal audit and/or investigation undertaken.</li></ul>

	<p>The details of the internal audit function and oversight role of the Audit Committee on the function are disclosed in the Statement on Risk Management and Internal Control, including but not limited to the details of the engagement letter, review of the outsourced internal audit function's resources and continuous professional developments.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board is committed to ensure that the communication with its stakeholders is effective, transparent and timely and has adopted the <b>Corporate Disclosure Policy</b> on 3 April 2017 to provide guidance on communicating and disseminating material information impartially to stakeholders on a timely, accurate, clear and complete manner, in accordance with MMLR and other applicable laws and regulations.</p> <p>The principles stated in the <b>Corporate Disclosure Policy</b> in disclosure of material information are as follow:</p> <ol style="list-style-type: none"><li>2. Transparency and accountability</li><li>3. Compliance with legal regulatory requirements on disclosure</li><li>4. Confidentiality and timely disclosure</li><li>5. Fair and equitable access to information</li></ol> <p>In discharging its duty and responsibility in respect of disclosure of material information, the Board delegates the implementation of the Corporate Disclosure Policy to Corporate Disclosure Committee, and for the avoidance of doubt, the mandatory disclosure requirement for other information as per MMLR and applicable laws and regulations is not delegated to Corporate Disclosure Committee and shall be the responsibility of the Board collectively. The Corporate Disclosure Committee is made up of the Chief Executive Director and a member of Audit Committee and the Committee is tasked with the responsibility to oversee all matters relating to Company's corporate disclosure practice and to ensure adherence to the Corporate Disclosure Policy. The Executive Chairman of the Board or Chief Executive Director assume the role of authorised spokesperson for the Company during press conferences and analyst briefings.</p> <p>The Company's website incorporates an "Investor Relations" section which provides all relevant information on the Company and is accessible by the public via <a href="http://www.ornapaper.com">www.ornapaper.com</a>. The "Investor Relations" section enhances the investor relations function by including all announcements made by the Company (including special announcement required the stakeholders' attention, quarterly financial statements, Annual Report, minutes of general meeting and key matters discussed during AGM, among others) and stock</p>



information.

On the other hand, the communication of the policies and procedures established by the Board in relation to the corporate governance aspect of the Company is published in the “Corporate Governance” section under “Investor Relations” section of the Company’s website. In such section, public will be able to access the Board Charter, Code of Conduct as well as terms of reference of relevant Board Committees and policies (i.e.; Anti-Bribery and Corruption Framework, Whistle-Blowing Policy, Remuneration Policy for Directors and Key Senior Management, Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy) established and implemented by the Board.

Stakeholders can communicate any of their feedback or concern to the Company by using the contact form in the “Contact Us” section of the Company’s website whereby such messages are to be routed to and attended by dedicated personnel within the Group in charge of stakeholder’s communication.

The core communication channel with the stakeholders employed by the Company is the announcements made through Bursa Securities and it is the Company’s internal procedure that all announcements to be made through Bursa Securities are to be approved by the Board, prior to its release. The Board is observing all disclosure requirements as per laid down by MMLR and Capital Markets and Services Act 2007 in assuring all material event and information to be disseminated publicly and transparently on a timely basis. This allows fair and equitable access by all stakeholders without selective disclosure of such information to specific individuals or groups.

The Annual Report, being one of the main communication tools between the Company and its stakeholders, contains all the necessary disclosures in addition to the facts and figures about the Group. Therefore, efforts have been made in ensuring that the report is user friendly which enable the stakeholders to have a good understanding about the Group as well as its operations.

Another key avenue of communication with its shareholders is the Company’s General Meeting, which provides a useful forum for dialogue with shareholders. During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company’s Directors.

During the financial year under review, the Board provided timely disclosure of all material information of the Group to the shareholders through release of quarterly financial results, announcements and distribution of Annual Reports. Shareholders, investors and members of the public are able to access “Investor Relations” section of the Company’s website at [www.ornapaper.com](http://www.ornapaper.com) for such information.

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

**Intended Outcome**

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

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Notice dated 12 May 2021 for the 19<sup>th</sup> Annual General Meeting (“AGM”) which is scheduled to be held on 11 June 2021 was given to shareholders 29 days prior to the meeting, more than the minimum mandated period of 28 days in this Practice and 21 days as required under the MMLR. The provision of longer notice allowed the shareholders to have sufficient to consider the resolutions and make informed voting decisions during the general meeting. In view of the announcement on 28 May 2021 by the Malaysian Government on the enforcement of full lockdown in Malaysia starting from 1 June 2021 to 14 June 2021, a new Notice dated 31 May 2021 was given to the shareholders informing the change in the manner of hosting the AGM from physical general meeting to fully virtual general meeting. A copy of the revised Administrative Guide was made to the shareholders in the same announcement made through Bursa Securities.</p> <p>Similarly, the Board is committed in providing the notice of the coming 20<sup>th</sup> AGM to the shareholders at least 28 days prior to the meeting. Such requirement has been included in Paragraph 10 of the latest updated Board Charter.</p> <p>The notice of 20<sup>th</sup> Annual General Meeting will be disseminated through both electronic format (made available on Bursa Securities’ website and Company’s website) and hardcopy.</p> <p>The notice of the annual general meeting includes the following information:</p> <ul style="list-style-type: none"><li>• Date, time and venue or mode of the meeting.</li><li>• Ordinary and special business (if any) that are tabled for approval and explanatory notes and information on the agenda items to be approved.</li><li>• Notes on the voting rights and procedures for shareholders to exercise their rights to appoint proxy in relation to the general meeting.</li></ul>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>During the 19th Annual General Meeting (“AGM”), all Directors including the Chairperson of Audit, Nomination, Remuneration and Board Risk Management Committee except for one (1) Director had attended the meeting and provided response to questions that were addressed to them.</p> <p>The 19<sup>th</sup> AGM was conducted in a fully virtual basis as part of the Company’s safety measures against the COVID-19 pandemic and therefore all participants of the meeting including the Chairman of the Board and five (5) of the Directors virtually attended the 19<sup>th</sup> AGM via the Tricor Investor &amp; Issuing House Services Sdn Bhd (“TIH”) online meeting platform, in compliance of the Guidance and FAQ on the Conduct of General Meetings for Listed Issuers issued by Securities Commission due to enforcement of movement control restriction by the Government of Malaysia. The Company Secretaries and the External Auditors also virtually attended the meeting.</p> <p>Mr. Sai Ah Sai, who is the Non-Independent Non-Executive Director absent from the AGM due to his appointment for the COVID-19 vaccination.</p> <p>The Board had reviewed and approved the revision of the Board Charter on 30 December 2021 with the inclusion of the requirement whereby all Directors, including the Chairperson of Audit, Nomination, Remuneration and Board Risk Management Committee to attend General Meetings in order to provide meaningful response to questions addressed to them.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board is committed to ensure that all Directors including the Chairperson of Audit, Nomination, Remuneration and Board Risk Management Committee will attend the forthcoming 20 <sup>th</sup> AGM to enable the respective Chairman of Committees and Directors to provide meaningful response to questions addressed to them.

<b>Timeframe</b>	:	Within 1 year	
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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 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the spike in COVID-19 cases nationwide, the Malaysian Government had announced on 28 May 2021 of the enforcement of total lockdown in Malaysia starting from 1 June 2021 to 14 June 2021. As a result of the implementation of the total lockdown, the Securities Commission Malaysia had on 1 June 2021, revised the Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers which was originally issued on 18 April 2020 ("the Revised Guidance Note and FAQ"), to require all meeting participants of a fully virtual general meeting including the Chairperson of the meeting, board members, senior management and shareholders to participate in the meeting online while physical gatherings no matter how small are prohibited.</p> <p>The Board, having given due consideration of the above and as part of the safety measure, decided to conduct the 19th Annual General Meeting ("AGM") fully virtual on 11 June 2021. Tricor Investor &amp; Issuing House Services Sdn Bhd ("TIIH") was engaged as Poll Administrator to conduct the polling process while Asia Securities Advisory Sdn Bhd acted as the independent scrutineers to verify the poll results. The engagement letter with such poll administrator and RPV facility service provider includes clauses on confidentiality, protection of personal data received and to ensure cybersecurity is preserved before, during and after the general meeting.</p> <p>The virtual general meeting allows shareholders to exercise their right to participate, pose questions, and vote at the general meeting safely and remotely via Remote Participation and Voting ("RPV") facility at <a href="https://tiih.online">https://tiih.online</a>, after successfully registered as a user with TIH Online (subject to verification and onboarding process of the RPV facility). Detailed procedures for remote participation and voting via RPV facilities from registration, appointment of proxy/ corporate representative/ attorneys, participation through live stream, posing of question during live stream, poll voting and pre-meeting submission of question to the Board were provided to shareholders in the Administrative Guide. The AGM was broadcast via RPV facility where all meeting participants including the essential individual (i.e.; Chairman of the Board, Directors, the Company Secretaries, the</p>



	External Auditor and the Scrutineer participated in the meeting online without physical present at the broadcast venue.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 13.4

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

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate and encourage shareholder participation during such general meeting, the Administrative Guide for attending the 19th Annual General Meeting ("AGM") was issued along with the Notice of AGM announced by the Company via the Bursa Securities. The Administrative Guide includes steps required to be followed by the shareholders before the date of general meeting and during the meeting.</p> <p>The shareholders were able to participate and interact with the Board actively in the general meeting via live streaming of general meeting proceeding on their devices and to submit their question via query box to the Board of the Company during the meeting via the Remote Participation and Voting ("RPV") facility at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>In order to further encourage participation of the shareholders, shareholders may submit their questions for the Board prior to the date of general meeting via the Tricor Investor &amp; Issuing House Services Sdn Bhd's ("TIIH") online website.</p> <p>During the 19th AGM, sufficient time was allocated for the shareholders to pose questions to the Board of the Company via RPV facility and all pertinent questions relevant to the agendas of the general meeting were answered by Mr. Sai Chin Hock, the Executive Director of the Company via the live streaming broadcasted before poll voting started. Instead of providing responses to every question received, overlapping questions and similar questions are grouped and provided with responses.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

## Practice 13.5

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

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 19<sup>th</sup> AGM of the Company was held fully virtual at the online meeting platform of Tricor Investor &amp; Issuing House Services Sdn Bhd's ("TIIH") online website at <a href="https://tiih.online">https://tiih.online</a>. The Company had decided to engage TIIH as the poll administrator for the 19<sup>th</sup> AGM due to their extensive experiences in poll administering services in Malaysia including their comprehensive Remote Participation and Voting ("RPV") facility's functionality as well as their performance to facilitate smooth and meaningful fully virtual general meeting and remote voting compliance and experience.</p> <p>TIIH being the poll administrator verified the identity and eligibility of the shareholders, proxies and corporate representatives before approving their attendance at the 19<sup>th</sup> AGM. Only depositor whose name appears on the Record of Depositors ("ROD") as of 3 June 2021 and with their registration validated and approved by TIIH is entitled to join the live streamed meeting and to vote remotely.</p> <p>The shareholders were given the option to pose their questions via the query box during the meeting or submit their question via the "e-Services" link of the TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> before the date of the meeting and these questions had been consolidated and forwarded to the Board for response during the live stream of the 19<sup>th</sup> AGM. Since there are some overlapping and similar questions being posed by the shareholders, those questions are consolidated and responded by the Executive Director, Mr. Sai Chin Hock who represent the Board in answering the questions posed by the shareholders.</p> <p>The online voting session commenced at the start of the meeting at 10.30 a.m. The step-by-step on the online voting module was displayed on the screen and shareholders and proxy holders were given another 10 minutes to cast and submit their vote after the</p>

	<p>Question and Answer Session. Thereafter, the meeting adjourned for twenty (20) minutes for the scrutineer to facilitate the verification of votes for the declaration of the results of the poll.</p> <p>The meeting resumed to order at 11.20 a.m. for the declaration of the results. The poll results of each resolution from Resolution 1 to Resolution 11 were displayed to the shareholders and proxies during the live stream. The Chairman declared that the resolutions were duly passed.</p> <p>Key matters discussed during the 19<sup>th</sup> AGM is available for download from the “Annual General Meeting” section of the “Investor Relations” of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a>.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The minutes of the meeting of the 19th Annual General Meeting (“AGM”) is not uploaded to the Company’s website but the key matters discussed during the 19 <sup>th</sup> AGM was uploaded to the Company’s website and it is available for download from the “Annual General Meeting” section of the “Investor Relations” of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a> .
	: In December 2021, the Board Charter had been reviewed and updated with the requirement whereby minutes of the general meeting of the Company should be circulated to shareholders or published on the corporate website of the Company no later than 30 business days after the general meeting (including key matters discussed during the annual general meeting, if any).
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: The Board to ensure the minutes of general meetings including the key matters discussed during such meetings for financial year ending 31 December 2022 are uploaded to the “Annual General Meeting” section of the “Investor Relations” of the Company’s website at <a href="http://www.ornapaper.com">www.ornapaper.com</a> within 30 business days from the date of the general meeting held.
<b>Timeframe</b>	: Within 1 year

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES  
PERSUANT 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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