

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5065
COMPANY NAME : Ornapaper Berhad
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <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 Board Charter for the Group, which 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>i. <u>Reviewing and adopting a strategic plan for the Group</u></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, a proposal for the acquisition of a factory building by its key operating subsidiary and purchases of material machineries by its key operating subsidiaries as well as proposed investment were proposed by the Executive Directors to the Board for deliberation and approval. The Board also reviewed and deliberated on the proposal for the declaration of dividend to be paid.</p> <p>ii. <u>Promoting good corporate governance culture and practices</u></p> <p>The Board, being the highest governance body within the Group, is aware of its responsibility toward good corporate governance and</p> |

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

The **Board Charter** and other board and committee policies incorporates practices and guides per Malaysian Code on Corporate Governance (“MCCG”). 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 reviewed the draft Corporate Governance Report and assessed 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, officers and employees throughout the Group. At the 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 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 of the **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 CED is assessed

by the Board through the financial performance and financial/ non-financial information presented by the Management on a quarterly basis.

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

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

The Board had set up a Board Risk Management Committee (“BRMC”) to oversee the risk management matters, including the review of the 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 risks. The BRMC will review the Risk Registers and determine the risks to be escalated to the Board once a year. The BRMC is also tasked to review, together with other Committees, the Management and the Auditors, any significant risks and exposures and assess steps taken or to be taken to minimize such risks to the Group.

The AC, 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 AC monitors the status of implementation of appropriate internal controls and mitigation measures through the Internal Audit Function’s management action progress report and updates from the management and makes relevant recommendations to the Board to manage risks.

Further explanations of 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 (“NC”) 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 (“RC”) 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 descriptions of the key positions.

Further details on the role and responsibilities of NC and RC 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 a timely, accurate, clear and complete manner per Main Market Listing Requirement (“MMLR”) and other relevant laws and regulations. The Board had established the **Corporate Disclosure Policy** in this respect.

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 Corporate Disclosure Committee to confirm their factual correctness prior to their release 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 AC reviews the internal control system of the Group through the Internal Audit Function of the Group. The outsourced Internal Audit Function reviews the internal control system of the Group based on the approved internal audit plan and outcomes of the reviews are reported to the AC 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 the quarterly meeting of the AC, the draft financial statements are reviewed by the AC 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 AC 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 AC on the financial reporting are disclosed in Audit Committee Report in the Annual Report.

The Board ensure all directors possess the required ability to read and understand the financial statements of the Group by way of annual board skill evaluation performed and via such evaluation, to identify training needs to enhance the 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 operations activities and performance provided by the CED and Chief Operations Officer (“COO”).

ix. Sustainability management

The Board had established a formal ***Sustainability Framework***, detailing the governance structure and process implemented by the Management for the identification, prioritisation, monitoring and reporting of material sustainability matters pursuant to the

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| | <p>MMLR and in compliance with the Sustainability Reporting Guide issued by Bursa Securities in material aspects.</p> <p>During the financial year under review, the Risk and Sustainability Assessment report detailing the assessment outcome in identifying the material sustainability matters of the Group performed by the Management was compiled and presented by the Risk and Sustainability Management Committee (“RSMC”) to the BRMC 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>Explanation for departure</p> | <p>:</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure</p> | <p>:</p> | |
| <p>Timeframe</p> | <p>:</p> | |

Intended Outcome

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <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 Board Charter:</p> <ol style="list-style-type: none">i. Leading the Board in the adoption of good corporate governance practices in the Company and its subsidiaries;ii. Providing leadership to the Board so that the Board can discharge its responsibilities effectively;iii. Leading the Board in the oversight of the Management and ensure its effectiveness of all aspects of its role;iv. Ensuring the efficient organisation and conduct of the Board's function, chairing Board meetings and discussion;v. Setting the Board agenda and ensuring complete and accurate information is furnished to Directors on a timely basis to facilitate decision-making;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;vii. Promoting constructive and respectful relations within the Board, and managing the interface between the Board and Management;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;ix. Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meeting;x. Ensuring general meetings support meaningful engagement between the Board, Key Senior Management and shareholders;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; |

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| | <ul style="list-style-type: none"> xii. Maintaining effective professional relationship with external parties, investing public, regulatory bodies and trade associations; and xiii. Facilitating the contribution of NEDs and ensuring constructive relations be maintained between Executive and NEDs. 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>The roles and responsibilities of the Chairman of the Board are stated in Paragraph 5.3 of the Board Charter, published at “Corporate Governance” section of the “Investor Relations” of the Company’s website at www.ornapaper.com.</p> <p>Upon the resignation of Executive Chairman, Mr. Ang Kwee Teng on 22 December 2021 to pursue his personal matters had resulted in casual vacancy in the Chairman of the Board. Mr. Sai Chin Hock, the Executive Director or Mr. Siow Kee Yen, the Independent Non-Executive Director was elected as the Chairman of the meeting held during the financial year under review pursuant to Clause 158 of the Company’s Constitution.</p> <p>In November 2022, NEDs meet among themselves without the present of Executive Chairman and Executive Directors to discuss on strategic, governance and operational issues. The COO was invited by the NEDs to brief the NEDs on the Group’s business and operational strategies for their review.</p> |
| | Not Available |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : The Board, via the Nomination Committee, is to identify a senior member of the Board to be appointed as the Chairman of the Board during the financial year ending 31 December 2023. |
| Timeframe | : 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 1.3

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The position of the Chairman of the Board and 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 and the position of the Executive Chairman was last held by Mr. Ang Kwee Teng, the position of which was vacated due to his resignation in December 2021.</p> <p>The roles and responsibilities of the Chairman and the CED are clearly established within the Board Charter, 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, the 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 of CED are as follows but not limited to:</p> <ul style="list-style-type: none">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;ii. To implement other Board's decisions effectively and efficiently;iii. To provide leadership in order to achieve the vision, management philosophy and business strategies;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;v. To safeguard the assets of the Company and its subsidiaries;vi. To ensure effective internal and external reporting of the Company and its subsidiaries;vii. To ensure the efficiency and effectiveness of the operations of the Company and its subsidiaries and that 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;viii. To assess business opportunities which are of potential benefit to the Company and its subsidiaries and to recommend major |

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| | <p>business opportunities for the Board of the Company's consideration;</p> <ul style="list-style-type: none"> ix. To communicate material and relevant matters to the attention of the Board of the Company timely and accurately for decision making; x. To discharge the responsibilities delegated by the Board of the Company and to execute authorities delegated effectively and efficiently; xi. Ensure that the financial management practice of the Company and its subsidiaries is performed at the highest level of integrity and transparency; xii. Ensure the Company and its subsidiaries have adequate resources, have an effective management team and structure, develop management skills and put in place an effective management succession plan for business continuity; xiii. Ensure that adequate and effective governance, risk management and internal control system for the Company and its subsidiaries are instituted; xiv. Design, implement (subject to approval by the Board of the Company) and continuously improve the Group's Anti-Bribery & Corruption Management ("ABCM") as well as ensuring sufficient resources are allocated for such implementation at the Company and the subsidiary level; 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 are allocated for implementation thereof; and xvi. Implement group-wide Code of Conduct and policies and procedures as well as ensuring sufficient resources are allocated for such implementation at the Company and the subsidiary level. <p>The roles and responsibilities of the CED are stated in Paragraph 5.4 of the Board Charter, published at "Corporate Governance" section of the "Investor Relations" of the Company's website at www.ornapaper.com.</p> |
| <p>Explanation for departure :</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure :</p> | |
| <p>Timeframe :</p> | |

Intended Outcome

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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | |
| Application | : Departure |
| Explanation on application of the practice | : |
| Explanation for departure | : Upon the resignation of Mr. Ang Kwee Teng as the Executive Chairman on 22 December 2021, the position was vacant for the financial year under review. Mr. Sai Chin Hock, the Executive Director, was elected as the Chairman of three Board's meetings and Mr. Siow Kee Yen, the Independent Non-Executive Director was elected as Chairman of one Board's meeting held during the financial year under review pursuant to Clause 158 of the Company's Constitution. Mr. Sai Chin Hock is not a member of the AC, NC, RC and BRMC. Mr. Siow Kee Yen is the Chairman of the AC. Despite Mr. Sai Chin Hock is not a member of the Board Committees, during the financial year, he had been invited to participate in several of the Board Committee's meetings. |
| | Not Available |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : 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. |
| Timeframe | : 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.

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| Application | : Applied |
| Explanation on application of the practice | <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">i. Manage all Board and Committee meetings, attend and record minutes of all Board and Committee meetings and facilitate board communications;ii. Advise the Board on its roles and responsibilities;iii. Ensure that there is good information flow within the Board and between the Board, Board Committees and Key Senior Management;iv. Facilitate the orientation of new Directors and assist in director training and development;v. Advise the Board on corporate disclosures and compliance with company, securities regulations and listing requirements; |

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| | <ul style="list-style-type: none"> 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; vii. Manage processes pertaining to the shareholder meeting; and viii. Serve as a focal point of stakeholders’ communication and engagement on corporate governance issues. <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 Board Charter, published at the “Corporate Governance Section of “Investor Relations” of the Company’s website at www.ornapaper.com.</p> |
| Explanation for departure : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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

Practice 1.6

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <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 a 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> |

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| | <p>The Board members in their individual capacity have unrestricted 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 Board Charter which is published in the "Corporate Governance" Section of "Investor Relations" of the Company's website at www.ornapaper.com.</p> | |
| Explanation for departure | | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | | |
| Timeframe | | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board had established a Board Charter which is subject to review and updates 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 Board Charter is available at the "Corporate Governance" Section of "Investor Relations" of the Company's website at www.ornapaper.com.</p> <p>The objectives of the Board Charter 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 Board Charter 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 the 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 Board Charter.</p> <p>Salient features of the Board Charter:</p> <ul style="list-style-type: none">• Matters reserved for the Board — identifies key matters reserved for the Boards' approval include the following:<ol style="list-style-type: none">i. Approval of financial resultsii. Approval of interim dividend and recommendation of final dividend, if any, for shareholders' approvaliii. Issuance of new securitiesiv. Changes related to capital structurev. Annual business plan |

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| | <ul style="list-style-type: none"> vi. Significant changes in accounting policies and practices vii. Annual financial budget viii. Acquisition or disposal of material capital expenditure ix. Acquisition or disposal of group companies x. Changes to structure, size and composition of the Board xi. Review conflict of interest situation xii. Risk management policies xiii. Corporate governance practices xiv. Approval of appointment, resignation and removal of Company Secretary xv. Approval of appointment of external auditors xvi. Approval of establishment of Board Committees xvii. Assessment of performance of Directors, Board and Board Committee xviii. Approval of Directors' remuneration xix. Approval of Board members' fees and benefits xx. Amendments to Constitution xxi. Recommend the convening of general meetings <ul style="list-style-type: none"> • Appointment and Re-appointment – require that appointment and re-appointment of Directors of the Company and its subsidiaries guided by Fit and Proper Policy and established policy and procedures including specifying the term of office and that active politician should be not appointed as Director of the Company and its subsidiaries. • Governance structure – defines the reporting structure of the Board, Board Committee and Board representatives appointed at the subsidiaries. • 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, NEDs and Company Secretaries. • 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 AC, NC, RC and BRMC. • Qualification, Vacation of Office and Removal of Directors – defines the basic requirements for appointment as Director of the Company, the requirements to vacate the office and the requirement to furnish written representation by Director removed to Bursa Malaysia Securities Berhad. • 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 |
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| | <p>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 Board Charter.</p> <ul style="list-style-type: none"> • Independent Director – defines the annual independence assessment requirement on Independent Director and tenure of the Independent Directors. • Board Meetings – specifies the frequency of board meetings (including subsidiaries), sufficient time allocated for deliberation, separation of the Board Committee meeting from the Board meeting, timeliness of board paper, invitation to the meeting of the Board and maintenance of minutes of meeting (including subsidiaries). • Financial Reporting – specifies the responsibilities of the Board of the Company and its subsidiaries in relation to the preparation of annual financial statements, quarterly announcements and other price sensitive public reports and their compliance with relevant laws, regulations and applicable accounting standards. • 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. • 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. • Board Remuneration – specify the assessment and recommendation of suitable remuneration packages for Directors of the Company and its subsidiaries and member of the Key Senior management by Remuneration Committee to be based on Board and Key Senior Management Remuneration Policy. • Directors’ Training/Continuing Education – based on the result from Board Evaluation and Performance, the Nomination Committee is to assess the trainings needed, identifies appropriate training |
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| | <p>programmes and make recommendation to the Board. This is to ensure the Directors have access to continuing education programme relevant to their discharge of fiduciary duties.</p> <ul style="list-style-type: none"> • Access to information and Independent Advice – Directors have unrestricted access to all information of the Company and the Company Secretary and may obtain independent professional advice at the cost of the Company. • General Meetings and Attendance - All Directors are required to attend the general meetings except there is a valid reason accepted by the Board and notice for the Annual General Meetings is to be given to shareholders at least 28 days prior to the meeting. • Stakeholders Engagement – specifies the channels required for investor relation and other stakeholders’ engagement. • Conflict of Interest – requires that all conflict of interest situation involving Directors (including person connected) and between the Company and its subsidiaries be managed and mitigated per established, including the requirement that interested Director be abstained from discussion and decision during meeting on the matter. • Code of Ethics and Conduct for Directors – defines the responsibilities of the Directors of the Company and its subsidiaries to observe high ethical business standards, honesty and integrity. • Group Governance – specifies the responsibilities of the Board of the Company to ensure adequate group wide corporate governance policies and procedures as well as other policies and procedures and the requirements of the Board of subsidiaries to provide information requested by the Board of the Company to oversee the performance of such subsidiary. <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> |
| <p>Explanation for departure</p> | <p>:</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure</p> | <p>:</p> |

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Intended Outcome

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

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

Practice 3.1

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board had 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 "Corporate Governance" Section of "Investor Relations" of the Company's website at www.ornapaper.com.</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> |

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| | <ul style="list-style-type: none"> i. Respecting Others – unlawful discrimination; working hours; wages and benefits; safety and health; humane treatment; communication; continuous development ii. Serve Our Customers – serving the customer with integrity; competency; handling of customers assets 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 iv. Preserve Confidentiality and Privacy v. Anti-money laundering vi. Corporate Citizenship vii. Reporting channel and enforcement <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 and Whistleblowing Policy is accessible at the “Corporate Governance” section of “Investor Relations” of the Company’s website at www.ornapaper.com.</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> |
| Explanation for departure : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| Measure : | |
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Intended Outcome

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

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

Practice 3.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has set up a Whistleblowing Policy that aims to provide all Directors, employees of the Group and other interested parties to confidentially reports to an independent governance body (AC) 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 the 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 and overseen by AC and reported to the Board. The email addresses of the designated Compliance Officer and members of AC are provided for reporting of malpractices.</p> <p>The AC is responsible to investigate and if required, reported to the Board with respect to all reported concerns. The AC 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 in the “Corporate Governance” section of “Investor Relations” of the Company’s website at www.ornapaper.com for ease of access for reporting by employees and interested parties of the Group.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
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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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Pursuant to the Board Charter, one of the key roles and responsibilities of the Board is to oversee the development and implementation of a Sustainability Policy for the Group (including its subsidiaries) to manage economic, environmental and social matters in relation to the businesses of the Group and to ensure that the strategic plan of the Company and its subsidiaries support 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 the latest update on 30 December 2021.</p> <p>The principles of each core component of sustainability, i.e. economic, environmental and social, are specified clearly to act as the foundation of sustainability management of the Group.</p> <p>The formal governance structure of the sustainability management of the Group is established within the Sustainability Framework whereby the roles and responsibilities of the Board, BRMC (as the governance oversight function), 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 aligning the proposed remuneration of the Directors and Key Senior Management personnel of the Group on performance on the management of sustainability risks and opportunities) while the CED together with the Executive Director are delegated with the duties to implement Sustainability Framework and management of sustainability risks and opportunities of the Group (including identification, assessment and responses to sustainability risks and opportunities).</p> |

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

Intended Outcome

The 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Pursuant to Sustainability Framework, communication with interested stakeholders is achieved through various means, including:</p> <ul style="list-style-type: none">• establishing communication channels that are available at all times for stakeholders to provide their views and feedback including complaints;• conducting engagement forum/ townhall sessions;• meeting and interviewing with institutional investor, analyst, media and other stakeholders when necessary;• electronic feedback form available on the Company's website;• press release on matters relevant to sustainability management; and• annual sustainability statement published in the Annual Report. <p>In particular, Sustainability Statement is published together with the Annual Report for the financial year under review and is 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 a summary of responsibilities, sustainability assessment process employed, stakeholders engagement activities, sustainability management activities and sustainability matters identified (including material sustainability matters), corresponding risk register of 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> |
| Explanation for departure | : | |
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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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 4.3

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>One of the responsibilities of the Board of the Company is to evaluate the sustainability risks and opportunities regularly, including taking into consideration the changes in the external business environment or affecting the interests of the stakeholders. On the other hand, RSMC led by CED and Executive Director is tasked to conduct a periodic review of all sustainability matters affecting the Group and the adequacy of the response(s) implemented and formulated with updates to the BRMC on scheduled intervals or as and when required due to change in the internal or external environment. Meanwhile, heads of department/division of the Group are assigned with the duty to continuously 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 the results of the sustainability assessment, material sustainability matters identified and responses implemented. With such an escalation mechanism put in place, 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 mechanisms to 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 of the sustainability management was supplemented by the training on sustainability management 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 mix</p> |

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| | of skill, knowledge and size to proactively oversee the sustainability management and stakeholders management was assessed by NC in February 2023 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. | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
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Intended Outcome

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

Practice 4.4

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>In order to ensure that the Board as a whole possess the right mix of skill and knowledge as well as size to proactively oversee the sustainability management and stakeholder management of the Group and that members of the Board possess the required capacity and competency on sustainability management and on evaluation of sustainability risks and opportunities faced and identification of training needs on sustainability management, the assessment was performed by the NC via Board and Board Committee Evaluation Form in February 2023 during its annual performance evaluation exercise.</p> <p>Based on the results of the above assessment, the NC and the Board were satisfied that the members of the Board possess the required capacity and competency to tackle questions 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> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
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Intended Outcome

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

Practice 4.5- 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.

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 5.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The 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 based on Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy. 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>In February 2022, the NC 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, the 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 Constitution of Ornapaper and Paragraph 4.2 (h) of the Board Charter, 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 2022, the NC decided on the Directors who are due for retirement by rotation and their eligibility to stand for re-election at the 20th 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. Sai Chin Hock and Datuk Adillah binti Ahmad Nordin at the 20th AGM.</p> <p>During the same meeting, the NC also reviewed the independence of the Independent Non-Executive Directors ("INEDs") including the consideration of the INEDs' tenure of service. The 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,</p> |

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| | <p>justification should be provided by the Board and approval from shareholders shall be sought at AGM via two-tier voting process pursuant to Practice 5.3 of MCCG.</p> <p>From the independent assessment performed and independence declaration obtained from all INEDs, the NC was satisfied with the Mr. Siow Kee Yen and Datuk Adillah 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 9 years.</p> <p>Upon due deliberation, the Board recommended the proposed retention of Mr. Siow Kee Yen and Datuk Adillah binti Ahmad Nordin for shareholders' approval via two-tier voting process at the 20th AGM.</p> <p>Meanwhile in February 2023, as part of the annual board evaluation, the NC reviewed the tenure of individual members of the Board and assessed individual directors' contribution to the proper governance of the Board and that they possessed 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 21st AGM are supported by the satisfactory performance and contribution of such directors to the proper governance and oversight responsibilities of the Board.</p> | |
| <p>Explanation for departure</p> | <p>:</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure</p> | <p>:</p> | |
| <p>Timeframe</p> | <p>:</p> | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>As at the date of this report, the Board comprises six (6) members of which two (2) are Executive Directors, one (1) is a Non-Independent Non-Executive Director (“NINED”) and three (3) are INEDs. Half of the Board comprises of INEDs.</p> <p>The Board consists of qualified professionals with diverse experience, background and knowledge in the areas of accounting, legal and general management. INEDs are made up of professionals 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 INEDs and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensuring the independence of INEDs via independence assessment performed by 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 INEDs are governed by <i>Fit and Proper Policy, Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</i> and <i>Policy on Independence Assessment of Independent Directors</i> established by the board.</p> <p>The 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, an adequate degree of independence and have the right mix of expertise, experience and skills to discharge its responsibilities and duties well and efficiently. Furthermore, the NC obtained independence declaration from all 3 INEDs for independence assessment and to ensure that their independence and objectivity are not diminished over time and that potential areas of conflict that may impair the independence of INEDs had been resolved, if any.</p> <p>All 3 INEDs had demonstrated their independence and objectivity during Board and Board committees’ proceedings, whereby genuine</p> |

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| | concerns were raised during the meetings, and actions or transactions proposed or taken by the Management and the Board were subject to their scrutiny. | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
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Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Pursuant to Paragraph 4.6 of the Board Charter, the tenure of an INED shall not exceed a cumulative of nine (9) years. Upon completion of the 9 years, such INED may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In the event that such a director was to be retained as INED, the Board must justify and seeks shareholders' approval through a two-tier voting process. To justify retaining an INED beyond the term limit of nine (9) years, the Board should undertake a rigorous review to determine whether the "independence" of such INED was impaired per Policy on Independence Assessment of Independent Directors. Findings from the review should be disclosed to the shareholders in the notice of the general meeting for them to make an informed decision.</p> <p>As at the date of this CG Report, Mr. Siow Kee Yen and Datuk Adillah binti Ahmad Nordin had served for a cumulative term of more than twelve (12) years. Datuk Adillah binti Ahmad Nordin is resigning as Director of the Company on or before 31 May 2023 and Mr. Siow Kee Yen will not seek for re-election as a Director at the upcoming AGM in order to comply with the amendments to the MMLR in relation to the limit of the tenure of the INED to twelve (12) years which will take effect on 1 June 2023. It is the immediate focus of NC and the Board to identify suitable and qualified personnel to be appointed as INEDs to assume the roles carried out by Mr. Siow Kee Yen and Datuk Adillah binti Ahmad Nordin.</p> <p>On the other hand, Mr. Tan Chin Hwee had served on the Board for a cumulative term of more than nine (9) years.</p> <p>As part of the independence assessment performed in April 2023 through the Annual Assessment of the Independence of Mr. Tan Chin Hwee and written independence declaration, the NC and the Board was unanimous in their opinion that his independence has not been compromised or impaired in any way with Mr. Tan Chin Hwee abstained from all deliberations in respect of the recommendation of his own retention as INED. The Board deliberated and opined that the length of his service on the Board did not interfere with his independent</p> |

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| | <p>judgement and he 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 his role as an independent director, it is invaluable for the Board to maintain him as INED.</p> <p>Based on the above justification, the Board recommends and supports the continuity of office of Mr. Tan Chin Hwee as INED of the Company via two-tier voting at the forthcoming 21st AGM.</p> <p>It is the immediate focus of the Board during the financial year ending 31 December 2023 to update the Board Charter to limit the tenure of INED to twelve (12) years without extension to comply with the amendment to the definition of “Independent Director” under paragraph 1.01 of MMLR whereby tenure of the INED is limited to twelve (12) years with effect from 1 June 2023.</p> | |
| Explanation for departure : | | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
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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 5.4 - 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.

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 5.5

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <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 the reappointment of Directors) and members of Key Senior Management is delegated to the NC by the Board of the Company. The duties and responsibilities of NC are detailed in its Terms of Reference, which is accessible for reference on the Company's website at www.ornapaper.com.</p> <p>The appointment of new Directors to the Board (including the reappointment of Directors) and Board Committees and appointment of a new member of Key Senior Management are through recommendation of candidates to NC for review prior to recommending the candidate(s) or such Director seeking for re-appointment to the Board for approval pursuant to Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director. 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 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 Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director as follow:</p> <ul style="list-style-type: none">• Fit and proper• Skilled and diverse background |

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| | <ul style="list-style-type: none"> • Boardroom and key senior management diversity (knowledge, skills, experience, race, age and gender) • Knowledge and skill on sustainability oversight and management • Independence Assessment of Independent Director <p>The Board had in place Fit and Proper Policy to ensure 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, NC and Board to ensure they possess the required criteria per “Fit and Proper Criteria” as defined in the Fit and Proper Policy as follow:</p> <ul style="list-style-type: none"> • Probity, personal integrity and reputation • Financial integrity • Experience and competence • Time and commitment <p>In ensuring the Directors appointed are able to devote the required time to the Board effectively and to comply with Paragraph 15.06 of the MMLR, the Board had incorporated policy in the Board Charter whereby all Directors shall be subject to the requirements of sole-proprietorship, partnership, executive directorship and non-executive directorship as per the Fit and Proper Policy and in any event, should not hold more than five (5) directorships in public listed companies.</p> <p>In addition, it is the requirement per the Board Charter that an active politician shall not be appointed as a member of the Board of the Company and its subsidiaries pursuant to Guidance 5.5 of MCCG. There is no active politician appointed a as member of the Board of the Company and its subsidiaries.</p> <p>During the financial year ended 31 December 2022, there was no new directorship and new member of key senior management appointed.</p> <p>The Terms of Reference of the NC, Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Fit and Proper Policy are published in the “Corporate Governance” section of “Investor Relations” of the Company’s website at www.ornapaper.com.</p> |
| Explanation for departure : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| Measure : | |

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Intended Outcome

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

Practice 5.6

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The <i>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director and Board Charter</i> state that the 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 are 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 the required character, experience, integrity, competence and time based on a prescribed set of criteria as set out in the <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>.</p> <p>The procedure for nomination and appointment of the Director as defined in the policy and procedure established are as follows:</p> <ol style="list-style-type: none">1. Recommendation received through duly completed "Director Recommendation Form" (with his/her written consent 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 supporting documents per Section D-Review and Assessment for fit and proper;2. To evaluate and shortlist potential candidate(s) based on "Criteria for Nomination and Appointment";3. To conduct an interview and proportionate due diligence check; and |

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| | <p>4. To recommend the potential candidate(s) to the Board for consideration and decision.</p> <p>All existing Directors of the Company were recommended by the Board members and existing shareholders of the Company, except for Mr. Sai Ah Sai, who was appointed prior to 26 April 2017 when such practice was only effective thereafter pursuant to MCCG 2017.</p> <p>Detailed information on the process undertaken by NC including its process of identifying and appointing a candidate can be found in the <i>Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</i> and <i>Fit and Proper Policy</i> published in the “Corporate Governance” section of “Investor Relations” of the Company’s website at www.ornapaper.com.</p> |
| <p>Explanation for departure</p> | <p>:</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure</p> | <p>:</p> |
| <p>Timeframe</p> | <p>:</p> |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Profile of Directors section of the Annual Report discloses the Directors' name, age, nationality, gender, qualification, working experience, directorship in other listed companies, 5 years history of conviction for offences and any conflict of interest as well as their shareholding in the Company.</p> <p>The recommendation of re-appointment of Director (including INED seeking continuation in office as INED by way of two-tier voting) at the forthcoming 21st AGM was subjected to the re-appointment process as per the <i>Policy and Procedures on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director</i> and the <i>Fit and Proper Policy</i> duly performed by the NC before recommending to the Board for its consideration and its 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 its recommendation to the shareholder upon satisfactory results of fit and proper and conflict of interest check, independence assessment (for INEDs) and performance evaluation of such Directors by NC.</p> <p>Based on the above process and satisfactory results of fit and proper and conflict of interest check, independence assessment (for INEDs) and performance evaluation of the Directors seek for re-appointment in the forthcoming 21st 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 independence of the INEDs is not impaired through passage of time and long relationship with the Company and the Executive Directors and Key Senior Management.</p> |

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| | <p>In order to facilitate the informed decision by the shareholders in relation to the re-appointment of directors in forthcoming AGM, a disclosure that the directors seek for re-appointment had met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence and time commitment (based on the satisfactory results of fit and proper and conflict of interest check, independence assessment (for INEDs) and performance evaluation of such directors performed) will be made in the notes accompanying the notice of the forthcoming 21st AGM.</p> | |
| <p>Explanation for departure :</p> | | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure :</p> | | |
| <p>Timeframe :</p> | | |

Intended Outcome

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

Practice 5.8

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The NC is chaired by Mr. Siow Kee Yen, an INED, as per the <i>Terms of Reference of Nomination Committee</i> whereby the Chairperson of the NC shall be an Independent Director. The duties and responsibilities of the NC, led by the Chairperson, are as follows:</p> <ul style="list-style-type: none">• To establish minimum requirements for the Board and CED to perform their responsibilities effectively including overseeing the overall composition and diversity of the Board.• To consider (including from independent sources) and recommend to the Board nominated candidates for appointments as Directors and Key Senior Management.• To consider and recommend to the Board such existing Director of the Company and its subsidiaries seeking re-appointments.• To evaluate the ability of candidates for the position of INEDs to discharge such responsibilities and functions as expected from INEDs.• 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.• 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.• 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.• 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 CED based on assessment criteria recommended by the NC annually.• To include the performance of the Board and Key Senior 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.• To review the performance of AC and the term of office and performance of each of its members. |

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| | <ul style="list-style-type: none"> • 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. • To ensure every Director is subject to retirement at least once every three (3) years and to recommend to the Board, candidates for the re-election of Directors, to be approved by shareholders, pursuant to the Company's Constitution. • To ensure that the shareholders have the information required to make an informed decision on the appointment and re-appointment of a Director, including a declaration of any conflict of interest, together with a statement with reasons as to whether it supports the appointment or re-appointment of the candidate. • To perform an independent assessment to determine the independence of each individual INEDs. • To formulate and review the nomination, selection, appointment and succession policies and plans for members of the Board, Board Committees and Senior Management. • To identify the 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. • 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. • To act in line with the directions of the Board. • To consider and examine such other matters as the NC considers appropriate. <p>In compliance with Paragraph 15.08(A)(1) of MMLR, NC comprises three (3) members, all of whom are INEDs as follows: -</p> <ul style="list-style-type: none"> • Mr. Siow Kee Yen (Chairman, INED) • Datuk Adillah binti Ahmad Nordin (Member, INED) • Mr. Tan Chin Hwee (Member, INED) |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
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| Timeframe | : | | |
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Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Presently, there is one (1) female INED on the Board of the Company and the Company continues to promote gender diversity with a 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 Board Charter . | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | The Board is supportive to have at least 30% female representative on Board as and when such potential candidate and position is available. | |
| Timeframe | : | 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <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 a 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 and Paragraph 4.1 of the Board Charter.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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.

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| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>On an annual basis, 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, the Board Committees, AC (including the term of office and the performance of its individual members) and the contribution of each individual Directors for discussion and acceptance and for further improvement.</p> <p>During the financial year under review, the Board, through the NC, conducted the <i>Board and Board Committee Evaluation</i> and <i>Directors' Self-Evaluation for individual Directors</i>. On the other hand, the assessment of the term of office and effectiveness of the Audit Committee (including the performance of its individual members) was performed by the NC through <i>Audit Committee Members' Peer Performance Evaluation</i> and <i>Audit Committee Evaluation</i>.</p> <p>The Board performance evaluation evaluates the Board based on the following areas:</p> <ul style="list-style-type: none">a) Board mix and composition.b) Quality of information and decision making.c) Boardroom activities.d) Board's relationship with management.e) Environment, social and governance. <p>While the Board Committees' performance evaluation (AC, NC, BRMC and RC) performed by the NC are based on the following criteria:</p> <ul style="list-style-type: none">(a) Having the right composition.(b) Provide useful recommendation in assisting the Board for better decision-making.(c) Members have sufficient, recent and relevant expertise in fulfilling their role. |

- (d) Proper discharge of responsibilities by Board Committee chairs.
- (e) Appointments of Board and Board Committees chairmen based on appropriate criteria.
- (f) Quality communications.
- (g) Well-prepared and comprehensively documented meeting minutes
- (h) Board informed of Board Committee's deliberation sufficiently and on a timely basis.

The self-assessment for individual directors assesses the individual Board member's roles, responsibilities and functions based on the criteria established by the NC which includes fit and proper, contribution and performance and calibre and personality.

On the other hand, the criteria stated in *Audit Committee Members' Peer Performance Evaluation* are as below: -

- a) Exhibition on trustworthiness, dynamic participation, integrity, capability in handling conflict, interpersonal ability and the enthusiasm to tackle problems proactively.
- b) Appropriateness of experience to meet the objectives of the Audit Committee's Terms of Reference, including financial literacy.
- c) Participation in ongoing education to improve the understanding of pertinent regulatory, accounting, reporting, auditing and industry issues.
- d) Level of analyse and evaluates the Company's business and risk environment.
- e) Level of understanding of the Company's significant financial and non-financial risk, compliance processes, financial and statutory reporting requirements, significant accounting policies, accounting estimates and financial reporting practices.

The NC evaluated AC 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 INEDs performed self-assessment of his/her independence based on the criteria as per MMLR. Confirmation and declaration by the Independent Directors were obtained in relation to compliance with Paragraphs 15.05 and 15.06 of MMLR.

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

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

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| | <p>With the above evaluation processes, the Board, through the NC, 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.</p> <p>The above assessments and evaluations were conducted without engaging the services of an independent third party.</p> <p>Based on the above assessments, the Board was satisfied with the existing board composition and was of the opinion that the Board, the Board Committees, individual directors and the AC had discharged their responsibilities in a commendable manner and had performed competently and effectively. Other than that, the Board, on the recommendation by the NC, was of the opinion that its present size and composition are 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.</p> <p>In addition, based on the above assessments performed on the AC (including the term of office and the performance of its individual members), the Board was of the opinion that the AC and its members had carried out their duties in accordance with its terms of reference.</p> | |
| <p>Explanation for departure</p> | <p>:</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure</p> | <p>:</p> | |
| <p>Timeframe</p> | <p>:</p> | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of the Company assumes the overall responsibility to establish and implement an effective remuneration policy for the members of the Board and Key Senior Management. The Remuneration Policy for Directors and Key Senior Management ("Remuneration Policy") was last reviewed on 30 December 2021 by RC prior to recommendation to the Board for approval. The responsibility for the implementation of the Remuneration Policy is delegated to RC by the Board. The Policy will be reviewed every three (3) years by 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 follows:</p> <ul style="list-style-type: none">- 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.- 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.- to promote strong teamwork culture among the Executive Directors of the Company and its subsidiaries and Key Senior Management of the Group.- to instil transparency and openness in the review and approval of compensation package of the Board's members and Key Senior Management of the Group |

The RC assesses the Executive Directors' (including Executive Directors of the subsidiaries) proposed remuneration packages so as to recommend the same 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 principal components of compensation for the Executive Director consist of fixed and variable compensation and other customary benefits as follows:

- 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 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 a comparable senior executive in the industry.

On the other hand, the proposed Director fees and benefits of NEDs are subject to review by RC and reporting to the Board for approval.

NEDs' remuneration comprises 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 NEDs shall take into consideration the performance of individual NEDs in overseeing the management of material sustainability risks and opportunities. Allowances are also granted to NED for the purpose to defray costs/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 NEDs shall not be subject to the financial performance of the respective entity and shall not include cash bonus schemes and equity vesting entitlements to prevent potential conflict with their primary role as an independent representative of stakeholders.

NEDs shall abstain 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

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| | <p>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 Director fees for NEDs and other allowances for Executive Directors and NEDs 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 the highest calibre to competently manage the company. The proposed remuneration packages of the members of Key Senior Management shall be reviewed by CED and subsequently, by RC at least once annually and report the results of the review to the Board for deliberation and approval.</p> <p>The Remuneration Policy is made available for download from the “Corporate Governance” section of “Investor Relations” of the Company’s website at www.ornapaper.com.</p> <p>The RC had held a meeting in November 2022 during the financial year ended 31 December 2022 to review the proposed Director fees for NEDs and allowances for NEDs and Executive Directors and the proposed basic salary, bonus and benefits in kind (“BIK”) of Executive Directors as well as proposed basic salary, bonus and BIK for members of Key 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 is commensurate with that adopted by companies of similar standing and is sufficient to attract and retain Directors and Senior Management of high calibre.</p> | |
| Explanation for departure : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

The 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The 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 Remuneration Policy for Directors and Senior Management ("Remuneration Policy") established by 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 "Corporate Governance" section of "Investor Relations" of the Company's website at www.ornapaper.com.</p> <p>The RC comprises three (3) INEDs which complies with the requirement of MCCG whereby the RC should comprise exclusively of NEDs and a majority of them must be INEDs. The composition of the RC 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, Director fees and benefits of the NED 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 the Board. Its role is merely that of making recommendations for the Board's approval.</p> |

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| | <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 abstain from discussion and decision on his own remuneration. The Board as a whole determines the remuneration package of NEDs based on their experience and level of responsibilities undertaken. All NEDs 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> | |
| Explanation for departure | : | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is supportive of transparent and detailed disclosure on the named basis for the remuneration of individual directors.</p> <p>Major remuneration components of the Directors include Directors' salary, fees, bonus, meeting attendance, car allowance and benefits in-kind and employer's contribution to 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 2022 is 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 | 0.0 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 2.5 | 0.0 | 2.5 | 558.0 | 200.0 | 0.0 | 37.6 | 798.1 |
| 2 | Sai Han Siong | Executive Director | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 | 0.0 | 3.0 | 786.0 | 213.0 | 46.4 | 135.6 | 1,184.0 |
| 3 | Sai Ah Sai | Non-Executive Non-Independent Director | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 | 0.0 | 3.0 | 180.0 | 8.0 | 0.0 | 0.6 | 191.6 |
| 4 | Datuk Adillah binti Ahmad Nordin | Independent Director | 60.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 63.0 | 60.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 63.0 |
| 5 | Siow Kee Yen | Independent Director | 60.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 63.0 | 60.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 63.0 |
| 6 | Tan Chin Hwee | Independent Director | 60.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 63.0 | 60.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 63.0 |
| 7 | 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 |
| 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.

| | | |
|--|---|--|
| Application | : | Applied – the company discloses the remuneration of members senior management who are not members of the board |
| Explanation on application of the practice | : | <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 to EPF, EIS and SOCSO and other emoluments in bands of RM50,000 for financial year ended 31 December 2022 are set out in the table below.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

| No | Name | Position | Company | | | | | |
|----|---------------------|---------------------------|-----------------|-----------------|----------------|----------|------------------|-----------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Lim Joo Song | COO | 400,001-450,000 | 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 | 300,001-350,000 |
| 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.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company complies with the requirement under MCCG whereby the Chairman of AC is not the Chairman of the Board. Such a requirement is also reflected in the <i>Terms of Reference of AC</i>.</p> <p>The Chairman of AC 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.</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 AC.</p> <p>The principal objectives of the AC are to assist the Board of Directors in discharging its statutory and fiduciary duties and responsibilities relating to the accounting and reporting practices of the Group and the Company. In addition, the AC, led by the Chairman shall: -</p> <ul style="list-style-type: none">a) evaluate the quality of the audits performed by the internal and external auditors;b) provide assurance that the financial information presented by management is relevant, reliable and timely;c) oversee compliance with laws and regulations and observance of a proper code of conduct; andd) determine the quality, adequacy and effectiveness of the Group and Company's control environment. <p>The Terms of Reference of AC detailing the composition, authorities, duties and responsibilities is available for download from the "Corporate Governance" section of "Investor Relations" of the Company's website at www.ornapaper.com.</p> <p>A summary of activities of the AC, led by the Chairman are disclosed in the Audit Committee Report of the Annual Report.</p> |
| Explanation for departure | : | |
| | | |

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

| | | |
|--------------------|--|--|
| Measure : | | |
| Timeframe : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The <i>Terms of Reference of AC</i> 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 AC.</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 partner joins the Company.</p> <p>The current AC members appointed were not former partner prior to appointment.</p> <p>The <i>Terms of Reference of AC</i> are available for download from the "Corporate Governance" section of "Investor Relations" of the Company's website at www.ornapaper.com.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formally approved the adoption of <i>Policies and Procedures to Assess the Suitability and Independence of and the Provision of Non-Audit Service by External Auditors</i> 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 AC 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">1. Qualifications of the External Auditors;2. Technical expertise and capability of the External Auditors in relation to the size and business complexity of the Group;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;4. Suitable size of the External Auditors in relation to the size and complexity of the Group;5. Size of the External Auditors in relation to the existing client base of the External Auditors;6. Independence of the External Auditors;7. Professionalism and responsiveness demonstrated by the External Auditors;8. Overall conduct of the audits by the External Auditors; and9. The appropriateness of audit fees to support quality audit. <p>AC 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 the AC is performed by using External Auditor Evaluation Form. The evaluation criteria include qualification, quality processes and performance, knowledge and skill sets of audit team,</p> |

| | |
|---|--|
| | <p>independence and objectivity, audit works and audit communication. AC also received Transparency Report prepared by the External Auditors and their presentation of such report during the financial year under review as part of performance evaluation of the AC. In addition, during the meetings with the External Auditors during the financial year, the External Auditors confirmed to AC on their independence in relation to the audit works to be performed and their commitment to communicate to the AC on their independence status on ongoing manner.</p> <p>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, AC noted that the External Auditors 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 the AC, the External Auditor did not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants 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 AC also took into consideration of the effective working relationship the External Auditors had with the Management and Management’s feedback on their satisfaction on the audit service rendered by the External Auditors.</p> <p>In addition, the nature of non-audit services provided by External Auditors and the quantum of the fees were presented by External Auditors and reviewed by the AC and the AC was satisfied that the provision of these services did not in any way compromise their independence.</p> <p>Based on the above, the AC was of the opinion that 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 20th 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 Malaysia PLT as External Auditors of the Company was subsequently approved by the shareholders at the 20th AGM held on 10 June 2022.</p> |
| <p>Explanation for departure</p> | <p>:</p> |

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

| | | |
|--------------------|--|--|
| Measure : | | |
| Timeframe : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The AC consists of members who have a wide range of necessary skills to discharge their duties. The members of AC 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 AC are disclosed in the Profile of Directors section of the Annual Report.</p> <p>All members of the AC are financially literate, with a majority of the members being members of the Malaysian Institute of Accountants. The AC in discharging its duties, review the quarterly results and annual financial statements and recommended them to the Board for approval before releasing them to the public. The AC 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 detailed disclosure of the activities undertaken by the AC, please refer to the Audit Committee Report in the Annual Report.</p> <p>The members of AC 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 AC are shown in the following table:</p> |

| Member of AC | Name of Conference/Talk/Seminar Attended or Participated | Organiser |
|----------------------------------|---|---|
| Siow Kee Yen | Tax Compliance, Tax Knowledge, Tax Complexity | Chartered Tax Institute of Malaysia |
| | International Standard on Quality Management Webinar – Starting Your implementation Journey Right | Malaysian Institute of Accountants |
| | Case Study-Based MFRS Webinar – COVID-19 Reporting: Lessons Learnt Thus Far | Malaysian Institute of Accountants |
| | ISQM1 Guide and Illustrative Manual (IGIM) | The Malaysian Institute of Certified Public Accountants |
| | Seminar on Quarterly Tax Updates 2022 | Chartered Tax Institute of Malaysia |
| | Updates on MMLR (November 2022) – Enhanced Sustainability Disclosures, Greenhouse Gas Protocol Standard and Task Force on Climate-Related Financial Disclosures | NeedsBridge Advisory Sdn Bhd |
| Datuk Adillah binti Ahmad Nordin | Updates on MMLR (November 2022) – Enhanced Sustainability Disclosures, Greenhouse Gas Protocol Standard and Task Force on Climate-Related Financial Disclosures | NeedsBridge Advisory Sdn Bhd |
| Tan Chin Hwee | Restructuring the Board of Directors – the Process and Procedures | Institute of Approved Company Secretaries |
| | Redeemable Preference Shares – An Overview | Institute of Approved Company Secretaries |
| | Assessing the Guidelines, Practice Notes and Practice Directives Issued by SSM | Institute of Approved Company Secretaries |
| | Corporate Talk 2022 – Anti-Money Laundering and Counter Terrorism Financing (“AMLCFT”) | Suruhanjaya Syarikat Malaysia |

| | | | |
|--|---|---|------------------------------|
| | | Updates on MMLR (November 2022) – Enhanced Sustainability Disclosures, Greenhouse Gas Protocol Standard and Task Force on Climate-Related Financial Disclosures | NeedsBridge Advisory Sdn Bhd |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 10.1

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board 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 Group Risk Management Framework, including a Risk Management Policy as the governance structure and processes for risk management on enterprise wide in order to embed the risk management practice into all levels of the Group and to manage key business risks faced by the Group adequately and effectively.</p> <p>The Group Risk Management Framework 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 Risk and Sustainability Management Committee ("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. Risk assessment, at gross and residual levels, is guided by the likelihood rating and impact rating that was established based on the risk appetite acceptable by the Board.</p> <p>The 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 that is reporting directly to the AC.</p> <p>Further explanation of 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</p> |

| | | |
|--|---|--|
| | Statement on Risk Management and Internal Control in the Annual Report. | |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 10.2

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

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|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <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 AC (for internal controls) whereby BRMC and AC 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 Group Risk Management Framework 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 Group Risk Management Framework approved by the Board, whereby 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, i.e. respective Managers and Heads of Department. Risk assessment, at gross and residual levels, 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 reported to the BRMC for review. BRMC subsequently reported the results of such updates to the Board for its final review and deliberation. Key Risk Registers are used for the identification of high residual risks which are above the risk appetite of the Group that requires the Management 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 further disclosures on the features risk management framework and internal control system as well as the opinion of the Board on the state of the risk management and internal control system within the Group.</p> |

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

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|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The 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 are also prescribed within the Group Risk Management Framework and include reviewing, assessment, formulation and recommendation of risk strategies, framework, policies, processes, tolerance and risk appetite to the Board.</p> <p>Further disclosures on the roles and responsibilities of BRMC are disclosed in the Annual Report's Statement on Risk Management and Internal Control. Terms of Reference of BRMC is published on the "Corporate Governance" section of "Investor Relations" of the Company's website at www.ornapaper.com.</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.

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|---|--|
| Application | : Applied |
| Explanation on application of the practice | <p>The Group's internal audit function is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn Bhd who is reporting directly to AC 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 AC.</p> <p>The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review by AC 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 AC with feedback from Key Senior Management. In assisting the AC in discharging its oversight role for the internal audit function, the AC, 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 AC through Internal Audit Evaluation Checklist Function Form with evaluation criteria such as, experience, competency, resources and audit approach.</p> <p>In ensuring the internal audit function is functioning effectively and independently, the Terms of Reference of AC provides the following oversight role of AC which includes the following:</p> <ul style="list-style-type: none">• 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;• ensure that the internal auditors 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;• 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 internal audit function in a timely manner to address control weaknesses, non- |

| | |
|---|--|
| | <p>compliance with regulatory requirements and other problem identified by the internal audit function;</p> <ul style="list-style-type: none"> • review and approve internal audit plans and scope of audit; • 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 AC; and • review and approve budget or fees for the internal audit function. <p>During the financial year ended 31 December 2022, in accordance with the internal audit plan (and any amendments thereof) approved by the AC, the internal audit function conducted review of sales and marketing and credit control management for two (2) key operating subsidiaries in Malaysia.</p> <p>Upon the completion of the internal audit field works during the financial year, the internal audit reports were presented to the AC 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 AC. Apart from the internal audit reports, updates on the implementation progress of action plans formulated per previous internal audit reports were presented to the AC 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 AC's review during the same meeting.</p> <p>The oversight role of the AC and the activities taken by the AC on the internal audit function during the financial year are disclosed in the Annual Report's Audit Committee Report and Statement on Risk Management and Internal Control while the Terms of Reference of AC is available for download from the "Corporate Governance" section of "Investor Relations" of the Company's website at www.ornapaper.com.</p> |
| <p>Explanation for departure :</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure :</p> | |
| <p>Timeframe :</p> | |

Intended Outcome

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

Practice 11.2

The board should disclose–

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The internal audit function of the Company is outsourced to an independent professional firm, NeedsBridge Advisory Sdn Bhd who is reporting directly to the AC 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 includes 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 the 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 the internal audit plan, reporting and monitoring and quality assurance and improvement programme) which are reviewed by the AC and reported by it to the Board for approval.</p> <p>Based on the formal evaluation of the internal audit function and review of the works performed and deliverables by the outsourced internal audit function during the financial year, AC and the Board are satisfied:</p> <ul style="list-style-type: none">• that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;• with the scope of the outsourced internal audit function;• that the outsourced internal audit function possesses the 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• with the internal audit plan, the processes, the results of the internal audit and/or investigation undertaken. <p>The details of the internal audit function and oversight role of the AC on the function are disclosed in the Statement on Risk Management and</p> |

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

Intended Outcome

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

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

Practice 12.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is committed to ensure that the communication with its stakeholders is effective, transparent and timely and has adopted the Corporate Disclosure Policy (first established on 3 April 2017 with latest update on 30 December 2021) 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 Corporate Disclosure Policy in disclosure of material information are as follow:</p> <ol style="list-style-type: none">1. Transparency and accountability2. Compliance with legal regulatory requirements on disclosure3. Confidentiality and timely disclosure4. Fair and equitable access to information5. Prohibition of Promotional Disclosure <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 CED and a member of AC 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 CED 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 www.ornapaper.com. The "Investor Relations" section enhances the investor relations function by including all announcements made by the Company (including Annual Report, Annual General Meeting, Corporate Governance, Quarterly Reports,</p> |

Changes in Shareholding, Sustainability Statement, Circular/Notice to Shareholders, among others) and stock information.

On the other hand, the policies and procedures established by the Board in relation to the corporate governance aspect of the Company are published in the “Corporate Governance” section of “Investor Relations” 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, Policy on Independence Assessment of Independent Directors 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

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| | the public are able to access “Investor Relations” section of the Company’s website at www.ornapaper.com for such information. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Notice dated 29 April 2022 for the 20th AGM which is scheduled to be held on 10 June 2022 was given to shareholders 41 clear days prior to the meeting, more than the minimum mandated period of 28 days required per this Practice and 21 days as required under MMLR. The provision of a longer notice period allows the shareholders to have sufficient time to consider the resolutions and make informed voting decisions during the general meeting.</p> <p>Similarly, the Board is committed to providing the notice of the forthcoming 21st AGM to the shareholders at least 28 days prior to the meeting. Such requirement is included in Paragraph 10 (c) of the Board Charter.</p> <p>The notice of the 21st AGM will be disseminated in 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"> • Date, time and venue or mode of the meeting. • Ordinary and special business (if any) that are tabled for approval and explanatory notes and information on the agenda items to be approved. • Notes on the voting rights and procedures for shareholders to exercise their rights to appoint a proxy in relation to the general meeting. |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>All Directors attended the 20th AGM held physically during the financial year under review.</p> <p>The Board Charter is incorporated with the requirement on the attendance of all Directors at the general meetings so that effective communication can be established between the Board and the shareholders. Directors, especially those charged with oversight roles (including but not limited to the Chairman of Board Committees) shall be present to answer in person any matters raised by the shareholders.</p> <p>Adequate time is given during general meetings to encourage and allow the shareholders to seek clarification or pose questions on pertinent and relevant matters in relation to the agendas of the general meeting.</p> <p>The External Auditors were also present physically at AGM to provide professional and independent clarification on issues and concerns raised by the shareholders during the meeting.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>There are 1588 shareholders in the Company as at 20 March 2023.</p> <p>To promote the participation of shareholders in remote locations through proxy(ies), the Company's Constitution includes the explicit right of proxy(ies) to speak at general meetings, to allow a member who is an exempt authorized nominee to appoint multiple proxies for each omnibus account it holds and imposes no restriction on proxy's qualification.</p> <p>During the financial year under review, the Company did not conduct its general meeting by using Remote Participation and Voting ("RPV") facility for remote shareholder participation subsequent to the relaxation of movement control measures by the Government of Malaysia as the country entered the transition to the COVID-19 endemic phase on 1 April 2022. This was due to the Board was of the opinion that a physical general meeting will promote direct and effective interactions between the Board and the shareholders as compared to the RPV facility which is merely a tool to facilitate general meeting during Movement Control Order ("MCO") period and which posed technology challenge to shareholders who are not technology savvy. Furthermore, the location of the physical general meeting in Melaka, Malaysia can be accessed easily by any transportation mode.</p> <p>Furthermore, it is more cost effective to conduct the physical general meeting as compared to the RPV facility.</p> |
| | | Not Applicable |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

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| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

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

Practice 13.4

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

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| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>To facilitate and encourage shareholder participation during the general meeting, the Administrative Guide for attending the 20th AGM conducted physically was issued along with the Notice of AGM announced by the Company via the Bursa Securities. The Administrative Guide includes matters (including COVID-19 safety measures) required to be followed by the shareholders before and during the meeting.</p> <p>It is the policy of the Board that all pertinent and relevant questions posed in relation to the agendas of the general meeting will be answered by the Board and sufficient time is to be allocated by the Board to answer such questions raised. In the event that questions posed were not answered by the Board during the general meeting due to time constraints, it is the policy of the Board to have the responses to these questions published on the corporate website as key matters discussed during the general meeting.</p> <p>During the 20th AGM, the physical general meeting provided an effective and interactive platform for communication between the Board and the shareholders. Sufficient time was allocated for the shareholders attended physically to the general meeting to pose questions to the Board of the Company directly and openly.</p> <p>With the above initiative by the Board to promote an interactive session with the shareholders to seek clarification or information from the Board during the proceeding of the general meeting, the shareholders were accorded relevant information to cast an informed vote in relation to the proposed resolutions during the general meeting.</p> |
| Explanation for departure | : |

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

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| Measure : | | |
| Timeframe : | | |

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : Pursuant to the Board Charter , minutes of the general meetings 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 while key matters discussed during the AGM shall be published on the corporate website of the Company within thirty (30) days from the date of the AGM concluded. The minutes of the meeting of the 20 th AGM was uploaded to the “Annual General Meeting” section of the “Investor Relations” of the Company’s website at www.ornapaper.com within 30 days from the date of AGM held. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

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

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

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