

POLICY ON INDEPENDENCE ASSESSMENT OF INDEPENDENT DIRECTORS

(Version: 1.1)

(Approved by the Board of Directors of the Company on 15 November 2024)

The purpose of this Policy is to establish processes for the evaluation of the independence of Independent Directors by the Board of Directors (“the Board”) of Ornapaper Berhad (“Ornapaper” or “the Company”). The responsibility for the establishment and subsequent review of the assessment procedure and criteria established is delegated to Nomination Committee (“NC”).

A. PURPOSE

This Policy:

- establishes the criteria which the Board will use to assess the independence of Independent Director before his/her appointment and ongoing assessment; and
- identifies the information that the Company will collect from Independent Directors to enable the Board to assess the independence of Independent Directors.

The Board commits that it is its responsibility to carry out the independent assessment of its Independent Directors before his/her appointment and at least once annually thereafter.

B. DECLARATION BY INDEPENDENT DIRECTORS

Individual Independent Director is required to submit to the Board for review a duly completed and endorsed “Declaration by Independent Director” Form by him/her in the following manner:

- 1) before his/her appointment as Independent Director;
- 2) during his/her tenure of independent directorship, at least once annually at the request of the Board; and
- 3) during his/her tenure of independent directorship, immediately upon the changes in the family relationship, directorship or interest of the Independent Director.

The Board shall, upon the receipt of the duly completed and endorsed “Declaration by Independent Director” Form from the Independent Director, review the independence and objectivity of the individual Independent Director and establish whether such Independent Director is independent and objective to carry out his/her duties and responsibilities as an independent element in the Board.

Independent Director shall abstain from the review and discussion of his/her independence as Independent Director for the Company.

C. CRITERIA TO ASSESS INDEPENDENCE

In determining the independence of Independent Directors, the Board will consider all relevant information, facts and circumstances in respect of such Independent Directors. When assessing independence, the Board should focus beyond the Independent Director’s background, economic and family relationships and consider whether the Independent Director can continue to bring independent and objective judgment to Board deliberations.

When assessing independence, the Board will take into consideration any relationships and interests that may affect the independent status of a Director. For the purpose of the assessment, the Board shall establish and determine that the potential candidate for independent directorship or Independent Director fulfils the definition of “independent director” per paragraph 1.01 of Part A – Definitions of and Practice Note 13 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as recommendations made under the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (“SC”).

D. THE TENURE OF AN INDEPENDENT DIRECTOR

The cumulative tenure of an Independent Director should not exceed twelve (12) years from the date of his/her first appointment. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board unless he/she is re-designated as a Non-Independent Director or he/she can remain as Independent Director beyond 9 years and up to 12 years if:

- 1) The independence assessment conducted by the NC (with such Independent Director abstaining from the deliberation if he/she is a member) based on the above procedure and criteria on such Independent Director determines that the independence of such Independent Director is preserved and is not deteriorated in any manner due to passage of time and reported as such to the Board; and
- 2) The continuing of such Director as Independent Director is recommended by the Board, based on the independence assessment conducted by the NC with the results of the independent assessment being disclosed in the notice to such general meeting, to the shareholders for ratification through a two-tier voting process to continue to act as Independent Director in a general meeting and the ordinary resolution for such agenda is ratified by the shareholders during such general meeting.

E. REVIEW AND APPROVAL OF THE POLICY

This Policy shall be reviewed by NC and proposed to the Board for approval as and when required and updated in accordance with the needs of the Group or any new or changes in regulations that may have an impact on the determination or evaluation of independent director and in any event, at least once every three (3) years.