

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5878  
**COMPANY NAME** : KPJ Healthcare Berhad  
**FINANCIAL YEAR** : December 31, 2023

### **OUTLINE:**

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

*Disclosures in this section are pursuant to Paragraph 15.26 of Bursa Malaysia Listing Requirements.*

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p><b><u>Board Duties and Responsibilities</u></b></p> <p><b>Overview:</b> The fiduciary duties of KPJ Healthcare Berhad's ("KPJ" or "the Company") Board of Directors (Board) include, but are not limited to, monitoring and supporting the Company's executive team, ensuring that regulatory obligations are met, mitigating risk and reviewing growth opportunities.</p> <p>Directors' duties are outlined in KPJ's Board Charter, which can be accessed by both internal and external stakeholders on KPJ's website at: <a href="https://kpj.listedcompany.com/corporate_governance.html">https://kpj.listedcompany.com/corporate_governance.html</a>.</p> <p>The said Charter (page 1, paragraph 3.1) stipulates that the Board's Principal Responsibility is for "Each Director of the Company shall exercise reasonable care, skill and diligence".</p> <p>KPJ's Board is also guided by Principle A i.e. Board Leadership and Effectiveness, as set out in the Malaysian Code of Corporate Governance (MCCG), where the scope of Board's leadership is as follows:</p> <ul style="list-style-type: none"><li>• <b>Strategic Leadership</b></li></ul> <p>KPJ's Directors provide governance, guidance, and oversight to senior management. In addition, they provide the tone from the top, taking into consideration the Group's targets, objectives, and capacity.</p> <p>The message is then channelled to the Management who is in charge of realising the said objectives.</p> <p>In line with this, the Board reviews and approves the appointment of C-Suite who manage specific areas of the business operations.</p>

The new President and Managing Director (PMD), Mr. Chin Keat Chyuan took office on 1 September 2023, while the new Chief Strategy Officer (CSO), Mr. Michael Leddin came on board on 4 September 2023. Furthermore, the Board approved the appointment of Puan Sherene Azli as KPJ's Chief Marketing Officer (CMO). She officially took on CMO role on 16 November 2023.

With this appointment, KPJ now has 3 new C-Suite members who complement the 5 existing ones. All of the 8 C-Suite members are also automatically members of KPJ's Group Management Committee (KGMC), alongside the Regional Chief Executive Officers (CEOs) of KPJ Hospitals and other Heads of Services (HOS) at the Headquarters.

KGMC ensures that Board's strategies and targets are delivered and cascaded throughout the Group.

- **The Board sets strategic direction for the Company**

KPJ's Board reviews and approves Corporate Objectives i.e. Key Performance Indicators (KPIs) and Balanced Scorecard. These Objectives (which take into consideration realistic operational capacities, organisational targets, and industry trends and forecasts), are subsequently embraced and implemented by Management, Company-wide.

KPIs are directly linked to strategic priority.

The year 2023 saw KPJ having several trackable metrics, including:

- ✓ Financial targets: including fundraising from Sukuk Sustainability at competitive rates.
- ✓ Portfolio Optimisation
- ✓ Improved Processes
- ✓ Sustainability
- ✓ Organisational Capacity

- **Corporate Culture for the Company**

The Board Charter indicates that one of the Board members' key responsibilities is "Overseeing the conduct of the Group's business to evaluate whether the business is properly managed" (i.e. paragraph 3.1.5, Board Charter).

Governance of the Group's activities is overseen by the Risk, Sustainability and Governance Committee (RSGC), as per its Terms of Reference (TOR). RSGC, a Board Committee, is responsible for the purpose of overseeing the risk management, sustainability and governance processes within the Group. RSGC reviews and recommends relevant risk, governance & compliance matters, guided by MCCG, to the Board for approval.

In addition to the RSGC, KPJ has five other Board Committees namely the Audit Committee (AC), Tender Committee (TC), Nomination and Remuneration

Committee (NRC), Investment Committee (IC) and Whistleblowing Committee (WBC).

In 2024, KPJ will be seeking Board’s approval for the TOR of the Sustainability Working Group (SWG). The aim of SWG is to drive and support sustainability awareness, engagement and advocacy.

- **Policy of Diversity, Equity and Inclusion**

On 1 November 2023, KPJ put in place a Diversity, Equity, and Inclusion Policy (Policy), applicable Groupwide, to guarantee that the organisation has a diverse workforce of different ages, ethnicities, and genders.

The guiding principle is that a diverse group of employees can effectively provide a wide range of perspectives, experience and expertise.

This Policy is applicable to all Board of Directors, Senior Management and employees of KPJ regardless of their level, including individuals under contract, secondment, apprenticeship, attachment, or any other category working under the supervision of KPJ and its Group of companies, whether compensated or not.

The principles outlined in this Policy are relevant throughout KPJ's operations to promote all aspects of the Policy and appropriate conduct within the workplace.

- **A Holistic View that Address Material ESG risks and opportunities**

In year 2023, KPJ had made bigger strides in terms of expanding its Sustainability and environmental, social and governance (ESG) endeavours (further details are in Practice 4 of this Corporate Governance Report).

By integrating Sustainability and ESG considerations in 2023, KPJ was able to unlock new areas of development, i.e. ESG considerations in place. Having Sustainability at our core enables us to not only meet regulatory expectations, it also increases investors’ interest.

- **Commitment of Board Members**

The Board meets on a quarterly basis with additional meetings convened for specific matters, when necessary. Meetings are scheduled ahead to facilitate Directors’ attendance. For the financial year 2023, the schedule of meetings was fixed by November 2022. During the year ended 31 December 2023, the Board Members remain committed and dedicated in fulfilling their duties and responsibilities, reflected via their attendance at each Board and Board Committee meeting as shown below:

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Director	BOD	AC	TC	RSGC	NRC	IC	WBC
<b>Non-Independent Non-Executive Chairman</b>							
Datuk Md Arif bin Mahmood	7/7						
<b>Independent Non-Executive Directors</b>							
Dato' Mohd Redza Shah bin Abdul Wahid	7/7	10/10	8/8		11/11	6/6	2/2
Mohamed Ridza bin Mohamed Abdulla	7/7			6/6	11/11	6/6	2/2
Khairuddin bin Jaflus	7/7	10/10	8/8	5/6			
Hisham bin Zainal Mokhtar	7/7	10/10		6/6		6/6	2/2
Lee Lai Fan	7/7		8/8		11/11		
<b>Non-Independent Non-Executive Directors</b>							
Rozaini bin Mohd Sani	7/7	10/10	8/8	5/6			
Shamsul Anuar bin Abdul Majid	7/7				11/11	6/6	
Prof Dato' Dr Azizi bin Haji Omar	7/7			6/6	11/11		
Annie binti Rosle	6/7		6/8			6/6	
<b>President and Managing Director</b>							
Chin Keat Chyuan <sup>(a)</sup>	2/2						
<b>TOTAL NUMBER OF MEETINGS</b>	<b>7</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>2</b>
Chairman							
Notes:							
(a) Appointed as PMD with effect from 1 September 2023.							
<b>Explanation for departure</b>							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
<b>Measure</b>							
<b>Timeframe</b>							

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman of the Board are stated in paragraph 4.9.5 of the Board Charter, which is available on KPJ's corporate website at: <a href="https://kpi.listedcompany.com/corporate_governance.html">https://kpi.listedcompany.com/corporate_governance.html</a></p> <p>Some of the specific responsibilities of the Chairman include:</p> <ul style="list-style-type: none"><li>• The Chairman leads the Board by setting the tone from the top, and managing the Board's effectiveness by focusing on strategy, governance and compliance having regard to public interest. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR to ensure its own effectiveness.</li><li>• The Chairman of the Board is responsible for instilling good corporate governance (CG) practices in the organisation. The Chairman of KPJ leads the Board in the adoption and implementation of good governance practices.</li><li>• Providing leadership for the Board and sets the tone from the top for overall Board and individual Director's performance and effectiveness.</li><li>• The Chairman with the assistance of the company Secretaries sets the board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar, and the same is circulated to the Board Members accordingly.</li><li>• The Chairman ensures that Board is properly briefed on issues arising in the meeting with accurate, clear, complete information in a timely manner.</li><li>• The Chairman promotes effective relationship and open communication, encourages constructive debates during Board meetings.</li><li>• The Chairman encourages effective communication with stakeholders and that views are communicated to the Board as a whole.</li><li>• To promote constructive and positive interactions between the Board and Management as well as between Directors.</li><li>• Playing a key role in the conduct of General Meetings, ensuring the smooth tabling of resolutions and effectively managing all communications throughout the meeting.</li></ul>
	:	

<b>Explanation for departure</b>		
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairman of the Board and the PMD, as well as the Non-Executive Directors (NEDs) are kept separate with a clear division of responsibilities, in line with best practices. This is outlined in paragraph 4.9 of the Board Charter which indicates clear segregation to ensure balance of power and authority as below:</p> <p><b>Board Leadership</b> The Group complies with the requirement to have the position of the Chairman and PMD held by two separate individuals.</p> <p>The Chairman of KPJ's Board is Datuk Md Arif Mahmood (Non-Independent Non-Executive Chairman) who was appointed on 1 April 2022. He is responsible to lead the Board by providing oversight over the strategies and business affairs of the Group whereas the PMD manages the business and operations of the Group and implements the Board's decisions. The distinct and separate roles of the Chairman and PMD, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>Puan Norhaizam Mohammad, KPJ's Chief Financial Officer (CFO), started serving as the Officer in Charge (OIC), effective 7 September 2022 following the resignation of Dato' Mohd Shukrie Mohd Salleh, who had served as the PMD from 1 April 2022 to 7 September 2022.</p> <p>On 1 September 2023, KPJ has appointed Mr. Chin Keat Chyuan as its new PMD and took the helm from Puan Norhaizam Mohammad, who was the OIC for the Group. Puan Norhaizam Mohammad assumed her role as CFO on the same day.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: As of 31 December 2023, the Chairman of the Company is not a member of any Board Committee, i.e. neither the Audit Committee (AC) nor the Nomination & Remuneration Committee (NRC) of KPJ.  Board Committees have written TOR which outline their authority and duties. These TORs are disclosed on the Company's website at: <a href="https://kpj.listedcompany.com/corporate_governance.html">https://kpj.listedcompany.com/corporate_governance.html</a>
<b>Explanation for departure</b>	:  
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<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Two company secretaries served the Company under Section 235(2) of the Companies Act 2016 (CA2016) in 2023.</p> <p>Puan Hana Binti Ab Rahim @ Ali was appointed as a Company Secretary of the Company effective from 1 February 2013 and still serves in the same capacity to date.</p> <p>On 1 September 2023, Ms. Keh Ching Tyng was appointed as a Joint Company Secretary, in replacement of Ms. Teh Peng Peng who had resigned on 1 August 2022.</p> <p>The Board has unrestricted access to the advice and services of company secretaries.</p> <p>The company secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies, procedures and compliance with the relevant regulatory requirements, including codes or guidance and legislation. The company secretaries support the Board in managing the Group's Governance Model, ensuring it is effective and relevant.</p> <p>The company secretaries safeguard all statutory books and records of the Group, which are maintained in the statutory register of the Group. Company secretaries also ensure that all Board meetings are properly convened; ensuring accurate and proper records of the proceedings and resolutions passed are recorded. The company secretaries also have to ensure that any change in the Group's statutory information be duly completed in the relevant prescribed forms and lodged with the Companies Commission of Malaysia within the prescribed period of time.</p> <p>The company secretaries manage all Board and Board Committees meetings and to ensure the deliberations at Board and Board Committees meetings are well documented, and subsequently communicated to the Management for appropriate actions. The company secretaries facilitate the onboarding of new Directors and assist in director training and development. Company secretaries also manage processes pertaining to the annual general meetings.</p>

	<p>The company secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG through attendance at relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) for practicing company secretaries.</p> <p>The training programmes attended by the company sSecretaries in 2023 were as follows:</p> <p>Name: Keh Ching Tyng</p> <table border="1" data-bbox="571 689 1406 875"> <thead> <tr> <th>No</th> <th>Courses/Workshop</th> <th>Date</th> <th>Organiser</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>MAICSA Annual Conference 2023: Revitalising Governance Towards Sustainability</td> <td>4 &amp; 5 October 2023</td> <td>MAICSA</td> </tr> </tbody> </table> <p>Name: Hana Binti Ab Rahim @ Ali</p> <table border="1" data-bbox="571 981 1406 1417"> <thead> <tr> <th>No</th> <th>Courses/Workshop</th> <th>Date</th> <th>Organiser</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>SSM National Conference 2023: Shared Responsibility In Strengthening AML/CFT Compliance - Risks, Challenges And Collaborations</td> <td>25 &amp; 26 July 2023</td> <td>Companies Commission of Malaysia (CCM)</td> </tr> <tr> <td>2.</td> <td>MAICSA Annual Conference 2023: Revitalising Governance Towards Sustainability</td> <td>4 &amp; 5 October 2023</td> <td>MAICSA</td> </tr> </tbody> </table>	No	Courses/Workshop	Date	Organiser	1.	MAICSA Annual Conference 2023: Revitalising Governance Towards Sustainability	4 & 5 October 2023	MAICSA	No	Courses/Workshop	Date	Organiser	1.	SSM National Conference 2023: Shared Responsibility In Strengthening AML/CFT Compliance - Risks, Challenges And Collaborations	25 & 26 July 2023	Companies Commission of Malaysia (CCM)	2.	MAICSA Annual Conference 2023: Revitalising Governance Towards Sustainability	4 & 5 October 2023	MAICSA
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<b>Measure</b>	:																				
<b>Timeframe</b>	:																				

## Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The annual Board and Board Committee meeting calendar (Calendar) is prepared in advance of each new year to facilitate the Directors' time planning to discharge their responsibilities efficiently and effectively. The Calendar provides Directors with all of the meeting dates of the Board and Board Committees, including Board Retreats and Annual General Meeting for the upcoming year.</p> <p>The Board meets on a quarterly basis, with additional meetings convened for specific matters when necessary. The company secretaries and Secretariat of each Board Committee, in consultation with the Board and Board Committee Chairman, set the meeting agenda to facilitate the Board and Management's planning in the preparation of matters for discussion at the meetings scheduled during the year.</p> <p>Prior to each Board and Board Committee meeting, the Notice of the meeting and meeting materials will be circulated five (5) working days before the meeting, to all Directors to ensure that the Directors have sufficient time to peruse and review the meeting materials to make an informed decision at each Board and Board Committee meeting. A formal notification of Board and Board Committee meeting dates is sent to the Board and Management one (1) month in advance.</p> <p>In line with KPJ's Sustainability initiatives which encourage a green environment for all the Board and Board Committees meetings, the meeting materials are circulated via the Convene platform (a secure, efficient, and user-friendly mobile app where access to meeting materials and documents can be obtained securely on the Directors' electronic devices) instead of hard copy distributions before the meeting.</p> <p>The agenda of the Board meeting includes among others, the following:</p> <ul style="list-style-type: none"><li>• Minutes of previous meeting of the Board;</li><li>• Any matters arising from previous Board meetings;</li><li>• Business strategies and corporate proposals;</li><li>• Review of operational matters and financial report of the Group and quarterly financial report;</li><li>• Review of clinical and professional services report;</li><li>• Approval sought for capital expenditure and expansion project reports;</li></ul>

	<ul style="list-style-type: none"> <li>• Report from PMD;</li> <li>• Reports from each Board Committees;</li> <li>• Report of the Registrar.</li> </ul> <p>There is also a schedule of matters reserved specifically for the Board’s decision, including the approval of corporate plans and programmes; annual budgets, including major capital commitments; new ventures; material acquisitions and disposals of undertakings and properties are material to the Group; and changes to management and control structure of the Group, including key policies and delegated authority limits.</p> <p>The Board is fully aware of its duties and responsibilities with regard to the matters stated above. Decisions and deliberations at the Board meetings (whether any Director abstained from voting / deliberating on a particular manner) are recorded in the minutes of the meeting by the company secretaries. The minutes of the Board and Board Committees meeting will be confirmed at the next meeting of the respective Board and Board Committees.</p> <p>The Directors, whether collectively as a Board or in their individual capacities, have full access to all information within the Company and could, where necessary, obtain independent advice at the Group’s expense, in furtherance of their duties and responsibilities.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

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

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

### Practice 2.1

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

The board charter clearly identifies–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter sets out the key values, principles and ethos of the Company, as policies and strategy development are based on these considerations. The roles, function, compositions and proceedings of the Board are clearly identified in the Board Charter. It provides guidance and captures good governance and compliance practices for the Board members.</p> <p>The Board Charter is published on KPJ's corporate website at <a href="https://kpi.listedcompany.com/corporate_governance.html">https://kpi.listedcompany.com/corporate_governance.html</a>. The Board Charter is reviewed periodically or when the need arises, to allow for updates or changes in regulations and best practices.</p> <p>All members of the Board contribute significantly in the areas formulation of strategic direction and policies, performance monitoring and allocation of resources and enhancement of controls of governance. The Board's roles are set out in the Board Charter. The key matters reserved for the Board's approval are:</p> <ul style="list-style-type: none"><li>• Approval of corporate plans and programmes;</li><li>• Approval of annual budgets, including major capital commitments;</li><li>• Approval of new ventures;</li><li>• Approval of material acquisitions and disposals of undertakings and properties; and</li><li>• Changes to the management and control structure within the Company and its subsidiaries, including key policies, delegated authority limit.</li></ul> <p>In this respect, the Board also received further training from time to time through the Continuous Education Programme (CEP), particularly on relevant laws, regulations, changing commercial risks and environment as required by Paragraph 15.08(3) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).</p>

The Board through the NRC annually assesses the training needs of its directors to ensure that they are updated with the latest requirements. The company secretaries will assist to schedule dates for training of Directors whether in a group or on an ad-hoc basis.

During the year 2023, the Board members attended the following training programmes organised by various parties:

No	Director	Training Title	Organiser	Date
1	Datuk Md Arif Mahmood	A 60-minute Crisis Management Guide for Boards	Institute of Corporate Directors Malaysia (ICDM)	22 March 2023
		Johor Corporation Inaugural Corporate Stewardship Forum	Johor Corporation (JCorp)	25 July 2023
		Financed Emission and Decarbonisation Solutions	HSBC	8 September 2023
		Cybersecurity Board Awareness	HSBC	18 September 2023
		Trimester 1 2023	HSBC	25 September 2023
		Induction Program	HSBC	16 October 2023
		Accenture AI Ascend 2023: Transcend Boundaries, Elevate Possibilities	Accenture Malaysia	26 October 2023
		Islamic Finance for Board of Directors (IF4BOD) Training Programme.	The International Shari'ah Research Academy (ISRA)	1-2 November 2023
		Executive Tabletop Exercise Engagement Kickoff	KPJ	22 November 2023
		HBMS Recovery Plan walkthrough	HSBC	27 November 2023
		ILAAP, LCP & EWST walkthrough	HSBC	27 November 2023
2	Dato' Mohd Redza Shah Bin Abdul Wahid	Corporate Stewardship Forum	JCorp	25 July 2023
		MAP Part II: Leading for Impact Programme	ICDM	13-14 December 2023
3	Mohamed Ridza Bin Mohamed Abdulla	A Dialogue with Bursa Malaysia – FTSE4GOOD ESG Rating for all public listed companies (PLCs)	ICDM	14 April 2023
		Stepping Up to The Role: Objective Assurance & Advisory	Malaysian Institute of Corporate	13 July 2023

		on environmental, social, and governance (ESG)	Governance (MICG)	
		Corporate Stewardship Forum	JCorp	25 July 2023
4	Khairuddin Bin Jaflus	Corporate Stewardship Forum	JCorp	25 July 2023
		MAP Part II: Leading for Impact Programme	ICDM	4-5 December 2023
5	Hisham Bin Zainal Mokhtar	Mobile World Capital (MWC) Barcelona: Velocity Unleashing Tomorrow's Technology – Today	GSMA: MWC Barcelona	27 February – 2 March 2023
		CIMB-Cambridge Institute for Sustainability Leadership (CISL) Program: Sustainability Leadership Programme (Session 3: The End of Business-as-Usual and Evolving Board Duties)	CIMB Group	14 April 2023
		Malaysia Retailers Association Conference 2023 – Retail Insights	AEON Credit Service (M) Berhad	15 June 2023
		Corporate Stewardship Forum	Johor Corporation	25 July 2023
		Touch 'n Go: Awareness Session on Corporate Liability Provision by the Malaysian Anti-Corruption Commission Officer	Touch 'n Go Sdn Bhd	25 July 2023
		Khazanah Megatrends Forum 2023	Khazanah Nasional	2 – 3 October 2023
		Bank Pembangunan Malaysia Berhad 50th Anniversary Forum - Development Financing: The Next 50 Years	Bank Pembangunan Malaysia Berhad	22 November 2023
		Strategies of Sustainable Business for Future (Environmental, Social and Governance (ESG), Greenhouse gases (GHG) and Carbon Footprint Minimization)	AEON Credit Service (M) Berhad	11 December 2023 & 17 January 2024
6	Lee Lai Fan	Corporate Stewardship Forum	JCorp	25 July 2023
		A 60-minute Crisis Management Guide for Board Members	ICDM	22 March 2023
		Sustainability Transition – Innovation as Change Drivers	ICDM	19 May 2023
		Modernising Data Governance – What Should Boards Focus on Now?	ICDM	12 June 2023



		MAP Part II: Leading for Impact Programme	ICDM	4-7 September 2023
7	Shamsul Anuar Bin Abdul Majid	Driving Strategic Innovation: Leading Complex Initiatives For Impact	The Wharton School, University of Pennsylvania	28 February 2023
		Corporate Stewardship Forum	JCorp	25 July 2023
		Sustainable Finance and Investing: Unlock Global Investment Strategies	Imperial College Business School	31 July 2023
		Johor Conversations: A Sustainable Johor Rooted in Resilience	GovInsider	4 April 2023
		Affin Conference Series 2023 - Malaysia 2023: A New Investment Chapter	AFFIN Hwang Investment Bank	30 May 2023
		Johor Conversations: Onwards to a Citizen-Centric, Sustainable and Inclusive Johor	GovInsider	26 September 2023
		PwC New Partner Experience: Voice of the Client	PwC	4 October 2023
		Asia-Pacific Climate Week 2023	United Nations Climate Change	13-17 November 2023
		Affin Hwang State Of The Nation & Spotlight On Johor Conference	AFFIN Hwang Investment Bank	4 December 2023
8	Rozaini Bin Mohd Sani	Webinar - Managing Corruption Risks and Enhancing Integrity	JCorp	7 March 2023
		Directors Networking Group	Institute of Enterprise Risk Practitioners (IERP)	10 March 2023
		Rise of The Chat Bots : Artificial Intelligence and The Future of Accounting	Malaysian Institute of Accountants (MIA)	30 March 2023
		Trust in Leadership – Panel Session	PwC	31 May 2023
		Corporate Stewardship Forum	JCorp	25 July 2023
		Leadership Future Forward Series Program	JCorp	25 July 2023
		ChatGPT Talk	The Malaysian Institute of Certified Public Accountants (MICPA)	2 August 2023
		MARC 360 : Pre Budget 2024 Views Series 1 - Transforming Malaysia's Economy	Malaysian Rating Corporation Berhad	9 October 2023

			Maybank Global Markets 2024 Economic Outlook	Maybank	11 October 2023
			Sustainability and Climate Change Disclosure Requirements	MIA	29 November 2023
	9	Prof. Dato' Dr Azizi Bin Hj Omar	Clinical Governance Workshop	KPJ	17 – 18 March 2023
			Workshop Ministry Health	Kementerian Kesihatan Malaysia (KKM)	27 May 2023
			Nursing Symposium	KPJ Damansara Specialist Hospital	7 June 2023
			Corporate Stewardship Forum	JCorp	25 July 2023
			International Society for Quality in Health Care's (ISQua) Conference	ISQua	26 – 30 August 2023
			KPJ Conference	KPJ	2-3 November 2023
			MAP Part II: Leading for Impact Programme	ICDM	4-5 Dec 2023
	10	Annie Binti Rosle	Seminar Integriti - Pengubahsuaian Wang Haram & Pencegahan Pembiayaan Keganasan (AML/CFT)	SPRM & EPF	11 July 2024
			Board & Leadership Talk Series (BoLT) 2023 #3: Insights and Experience from New Zealand in Developing the National Strategy for Financial Capability	EPF	17 July 2023
			Corporate Stewardship Forum	JCorp	25 July 2023
			International Social Wellbeing Conference (ISWC) 2023	EPF	2 August 2023
	11	Chin Keat Chyuan	MAP I	ICDM	22-23 November 2023
			Affin Hwang - State of The Nation Focus On Johor	Affin Hwang Investment Bank Berhad	4 December 2023
			Affin Hwang - Spotlight on Healthcare Industry in Malaysia	Affin Hwang Investment Bank Berhad	4 December 2023
<b>Explanation for departure</b>	:				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
<b>Measure</b>	:				

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

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

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

### Practice 3.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>KPJ has in place clear, ethical and transparent business practice guidelines, applicable for Board members, the management and staff at all levels.</p> <p>KPJ holds firm to the belief that good governance, ethical practices and positive corporate culture need to be instilled by strong leaders, and embraced by the management and staff.</p> <p>As such, KPJ Directors are guided by the Code of Ethics under paragraph 5.3 of the Board Charter which has documented clear policies for identifying and separating the functions and responsibilities between the Board and Management, as well as between the Chairman and the PMD in ensuring the smooth running of the Group's business and operations.</p> <p>The Board Charter is available on the Company's website at: <a href="https://kpj.listedcompany.com/misc/board_charter.pdf">https://kpj.listedcompany.com/misc/board_charter.pdf</a></p> <p>Among key aspects of the Code of Ethics are as follows:</p> <ul style="list-style-type: none"><li>• Directors must avoid any conflict of interest between the directors and the Company. In any situation that involves or may be expected to involve a conflict of interest with the Company, Directors should immediately disclose their interest whether direct and indirect to the Company.</li><li>• Directors must at all-time act in the best interest of the Company and not for personal gain or enrichment. Specifically, Directors shall follow the following guidelines:<ul style="list-style-type: none"><li>➤ Avoid placing own interest or any third-party interest above the Company;</li><li>➤ Do not engage in any outside business that would directly or indirectly materially adversely affect the Company;</li><li>➤ Do not abuse board membership by improperly using board membership for personal or third-party benefit;</li></ul></li></ul>

- Prevent corrupt practices which include offering and acceptance of gifts and other form benefits including, gratuities, honoraria or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donors;
- Encourage the reporting of unlawful or unethical behaviour; and
- Protect and ensure the proper use of the company's assets.

Similar principles are detailed in KPJ's Policy on Work Ethics & Code of Conduct, which encompasses both the duty of the employee as well as the duty of the employer, and serves as a standard of conduct for all in their professional relationships, encompassing relationships include colleagues, patients or others served; members of the healthcare employees' organization and other organizations, the community, and society as a whole.

Employees shall perform their duties with integrity, honesty, fairness and diligence; and adhere to the highest principles of dignity, respect, and confidentiality for a wide variety of people they encounter to include patients, families, staff members, community representatives, and a network of external providers. The Code is available at: [https://kpj.listedcompany.com/policy\\_work.html](https://kpj.listedcompany.com/policy_work.html)

The Group also has specific measures to guide and uphold ethical business behaviour to safeguard KPJ as a business and prevent corrupt practices include:

**Integrity Unit**

- i. A dedicated Integrity Unit (IU) continued to spearhead integrity-focused initiatives. Formed with Board's approval in February 2020, the IU is headed by a Chief Integrity Officer (CIO), to meet the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The IU's primary roles are to:
  - Drive and embed integrity as a key factor in governance and ensure all the Anti-Bribery Management System (ABMS) policies and procedures are in place.
  - Strengthen KPJ's integrity-and-transparency centered corporate culture and practices (in line with KPJ's own Core Value of Integrity which has been central to the organization) e.g. training & talks for the management and staff.
  - Advise the management and staff of the group on matters or queries related to integrity matter.

ABMS policy is available at KPJ's Corporate Governance section of the website: [https://kpj.listedcompany.com/corporate\\_governance.html](https://kpj.listedcompany.com/corporate_governance.html)

	<p><b><u>The Malaysian Code of Corporate Governance</u></b></p> <ul style="list-style-type: none"> <li>i. The Company is guided by the Practices and Step-Ups in the MCCG, issued by Bursa Malaysia.</li> <li>ii. As required by Bursa Malaysia, KPJ’s Corporate Governance Report is submitted and uploaded annually on the website, which includes references made to initiatives made in each year under review – and whether these initiatives either apply or depart from the Best Practices contained in the MCCG. The reference can be found in <a href="https://kpj.listedcompany.com/corporate_governance.html">https://kpj.listedcompany.com/corporate_governance.html</a></li> </ul> <p><b><u>Internal Control Process</u></b></p> <ul style="list-style-type: none"> <li>i. <b>Gift, Entertainment and Corporate Hospitality Policy and “Asset Declaration” Policy</b>, which are applicable to all employees. The purpose of these policies is to uphold ethical and responsible behaviour by employees and avoid conflicts of interest in ongoing or potential business dealings between the Group, suppliers and service.</li> <li>ii. <b>Integrity Pact:</b> Formal procurement processes include criteria regarding tenders, contract and preferred supplier agreement. Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ’s Corporate Integrity Agreement (CIA) and KPJ Safety, Health and Environment Policy.</li> <li>iii. <b>Anti-Bribery &amp; Anti-Corruption (ABAC) Policy</b> as well as <b>Whistleblowing (WB) Policy</b> that outline the Group's commitment to promote the highest standards of governance, ethics and integrity in all aspects of business dealings.</li> </ul>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The revised Whistleblowing Policy and Procedures were tabled and deliberated at the WBC Meeting held on 16 October 2023 and further approved in the RSGC on 6 November 2023.</p> <p>This policy reflects the Board's commitment to uphold the highest standards of integrity, professionalism, and ethics in carrying out its responsibilities for KPJ Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p><b><u>The Board's Oversight of Sustainability</u></b></p> <p>The Board reviews updates about KPJ's Sustainability initiatives, encompassing all ESG pillars, at every meeting.</p> <p>Via its RSGC, the Board has a pivotal role in overseeing that sustainability elements are incorporated into KPJ Group's decision-making and communication process.</p> <p>The RSGC supports the Board by overseeing the Risk Management, Sustainability &amp; Governance framework of KPJ and its Group of Companies (Group) and regularly assessing the framework to ascertain its adequacy and effectiveness. This role was expanded in 3Q2022, from the Risk and Governance Committee (RGC).</p> <p>As a Board Committee, RSGC is chaired by an Independent Non-Executive Director. The Committee is currently made up of 5 Directors; 3 Independent Non-Executive Directors (INEDs) and 2 Non-Independent Non-Executive Directors (NINEDs).</p> <p>RSGC also integrates KPJ's ESG risk assessment into the risk management framework, safeguarding the organization's security and performance.</p> <p>In year 2023, Board has approved the following:</p> <p><b>1) Sustainability Framework &amp; Roadmap</b> On 30 May 2023, the Board has:</p> <p>a) endorsed <b>KPJ's Sustainability Framework (SF)</b>, which contained the overarching sustainability targets and themes, as well as 18 refined material ESG issues – grouped in five themes with corresponding ambitions. It defines and governs Sustainability priorities, strategies and targets for KPJ Group.</p>



b) approved **KPJ's 3-Year Sustainability Roadmap**: covering 4 Themes across the ESG pillars, in line with the Sustainability Framework from Years 2023 – 2025:

- 11 initiatives in Year 2023
- 13 initiatives in Year 2024
- 3 initiatives in Year 2025

c) approved the **incorporation, for the first time, of ESG elements in KPJ's Corporate Balanced Scorecard / Key Performance Indicator (KPI) for Year 2023**:

- i. reduction GHG emissions from 2022 baseline (i.e. reduction of KPJ's environmental impact by managing KPJ's waste, resources and climate risks).
- ii. 5% reduction of clinical waste weight per patient from 0.59 kg to 0.56 kg per patient.

## 2) Sustainability Sukuk

KPJ's Board had also incorporated ESG considerations in a Sukuk, made known via a Bursa announcement on 13 March 2023.

On that date, the Board announced that KPJ had issued an inaugural Sustainability Sukuk Wakalah of RM555.0 million in nominal value pursuant to the Sukuk Wakalah Programme and in accordance with KPJ's Sustainability Sukuk Framework (dated January 2022). This was undertaken via a subsidiary company and the statement to Bursa was signed by the Officer-in-Charge (OIC).

An announcement about the Sustainability Sukuk was filed at Bursa Malaysia:

<https://kpj.listedcompany.com/news.html/id/2430551>

Details of the Sustainability Sukuk Framework (SSF) are available at <https://kpj.listedcompany.com/sustainability.html>.

KPJ's Sustainability Sukuk was also assigned the GOLD rating by MARC Ratings Berhad (MARC Ratings) in 2022. This reflects the highly impactful combination of green and social projects or activities that the proceeds raised from the issuance of Sukuk.

The SSF is aligned with the core components of the ASEAN Sustainability Bond Standards, ASEAN Green Bond Standards and ASEAN Social Bond Standards (collectively the ASEAN Standards), the Securities Commission Malaysia's Sustainable and Responsible Investment (SRI) Sukuk Framework as well as the International Capital Market Association's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines 2021 (collectively the ICMA Principles).

In addition, the SSF is also aligned to KPJ's goal towards embracing and supporting the United Nation Sustainable Development Goals (UN SDG).

Proceeds from the Sustainability Sukuk is linked to 7 eligible social & green project categories, each linked to relevant UNSDGs, namely:

- access to quality and inclusive healthcare
- better integrated care
- a strong & robust continuum of care that addresses community & population needs
- lowering its carbon impact
- enhancing resource management

The Sustainability Sukuk Framework specifically indicates that KPJ can use the proceeds for community-oriented undertaking, including:

- **Providing Access to Essential Services**

Projects and/or such other business activities including procurement of equipment and investments in relevant technologies, in relation to the provision of essential quality healthcare services. The target audience is people in need of healthcare.

- **Healthcare Services to Underprivileged (“B40”) and Disabled Communities**

Continuing community outreach programmes for the above, through affordable health facilities, e.g. Klinik Waqaf An-Nur (KWAN).

- **Education**

Education sponsorship for underprivileged students in nursing and health sciences Employment.

- **Job opportunities** at KPJ Hospitals for sponsored underprivileged students of KPJ University

- **Environmental Projects**

- Green Building
- Energy Efficiency
- Sustainable Water Management
- Pollution Prevention & Control
- Climate Change Adaptation

	<p><b><u>The Management’s Oversight of Sustainability</u></b></p> <p>KPJ’s management, under the leadership of PMD, reports to the Board on a quarterly basis via Management Risk, Sustainability &amp; Governance Committee (MRSGC) meetings. The Committee reviews sustainability compliance, internal check and measures at management level, and strategic quarterly sustainability reporting, performance and disclosures.</p> <p>Sustainability is also a fixed item on each meeting of the KGMC meetings.</p> <p>In addition, Sustainability matters are discussed at the Operations Meeting, which is attended by HQ Operations teams as well as the Hospitals’ Regional CEOs.</p> <p>Another avenue is KPJ’s Hospital Management Meetings (HMM) which also involves the CEOs of all hospitals and companies in the Group. HMM facilitates discussions and implementation of Sustainability initiatives at ground level, so that we can ensure buy-in and involvement throughout the Group.</p> <p>In January 2023, KPJ has set up a dedicated team i.e. Sustainability Services (SS) at HQ level. SS’ tasks include:</p> <ul style="list-style-type: none"> <li>• to centrally manage and oversee the strategic development, management and implementation of Sustainability initiatives Groupwide;</li> <li>• data collection e.g. re GHG emission;</li> <li>• coordinate communications with external stakeholders (e.g. partners);</li> <li>• drive Sustainability-related learning &amp; growth opportunities among internal stakeholders; and</li> <li>• compile Sustainability updates, reports and disclosures for Management and Board</li> </ul>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Sustainability communication is key to KPJ's efforts speak about its sustainability strategy, goals, and efforts, especially to its internal stakeholders.</p> <p>Our target is to show how the Company functions in an ethical, responsible and sustainable manner, while contributing to the well-being of the communities in which we operate.</p> <p>In relation to that, the Board and management ensure that KPJ's sustainability strategies, priorities and performance are communicated through various channels including:</p> <p><b><u>Internal stakeholders</u></b></p> <ul style="list-style-type: none"><li>➤ <b>Communications with Board:</b> Quarterly Sustainability Updates tabled to KPJ's Board/Board Committees, to facilitate their oversight and strategic decision-making processes on Sustainability related matters.</li><li>➤ <b>Communications with Johor Corporation (JCorp):</b> KPJ, as an investee company of JCorp, fulfils requirements to report on our value-creation efforts and outcomes, and this includes updates on Sustainability initiatives. Status updates are presented to the JCorp Group Management Committee chaired by the President &amp; Chief Executive of JCorp, as well as at the JCorp Sustainability Committee.</li><li>➤ <b>Communications with KPJ Medical Specialists:</b> The message of Sustainability has been shared with KPJ's medical specialists as an internal stakeholder of the Group, e.g. highlighting the link between Sustainability and KPJ's own long-term business resilience.</li></ul> <p>One such session was a plenary discussion entitled "<i>Healthy futures: Future-proofing hospital operations through Sustainability</i>", which was part of the programme at KPJ's Healthcare Conference 2023 on 2 November 2023, chaired by the CFO of KPJ.</p>

This particular session, which was attended by both the management and medical specialists, highlighted the following areas:

- ✓ Insights on sustainability and ESG and how this is relevant for KPJ Healthcare;
- ✓ Provide KPJ Healthcare with key considerations in energy transition; and
- ✓ Building climate risk resilience

➤ **Communications with Internal Stakeholders:** Primary aim was to educate and gain buy-in staff members throughout the Group, across all levels, regarding Sustainability. In 2023, KPJ's SS carried out several outreach programmes for internal stakeholders i.e.:

▪ **KPJ Sustainability Roadshow**

- ✓ 8 online sessions completed: May to July 2023.
- ✓ The sessions introduced the concept of Sustainability and ESG to internal stakeholders, creating a foundation for Sustainability best practices.
- ✓ Also explained KPJ's SF and 3-year Roadmap.

▪ **Sustainability Day – a series of events encouraging staff education & involvement**

A series of Sustainability-related events across the four months of September to December 2023 namely, Sustainability Video Competition, Sustainability Day Event, and Sphere Series (online infographics for staff members' easy reference). All these activities were specially created for staff members to acquire and apply knowledge they receive at the workplace and in their personal lives.

▪ **KPJ GHG Emission Baseline Workshop**

As part of Sustainability Services efforts to formulate a baseline for KPJ Group's decarbonisation efforts for the first time, appointed representatives from each hospital and company in KPJ Group (i.e. Sustainability Champions) have been equipped with information on how to calculate the baseline.

This inaugural undertaking is critical as it forms the basis to reduction of GHG emissions in KPJ and to determine whether emission reduction targets are being met.

**External stakeholders**

• **Communications with Investors**

In 2023, KPJ's 2022 Sustainability Report (SR) disclosed progress against our policies as well as the targets set out in the Sustainability Framework and Sustainability Roadmap 2023–2025.

	<ul style="list-style-type: none"> <li>• <b>Communications i.e. at the Asia-Pacific Climate Week (APCW 2023)</b>            KPJ was involved in the APCW 2023 (as part of JCorp Group) at Persada Johor, from 13 – 17 November 2023. The APCW was attended by more than 3,800 global participants, and discussed among others energy systems and industry, settlements, infrastructure, as well as societies, health, livelihoods and economies.</li> </ul>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sustainability-related topics are addressed at each KPJ Board meeting, as well as at the RSGC meetings every quarter.</p> <p>Apart from updates through meetings and reports, Directors attended Sustainability-related programmes, including:</p> <ul style="list-style-type: none"><li>• <b>Corporate Stewardship Forum by JCorp</b> Encourages the application of:<ul style="list-style-type: none"><li>➤ ethical and responsible planning and management of resources</li><li>➤ how the business affects the current state of the world</li><li>➤ the generations to come.</li></ul></li><li>• <b>Mandatory Accreditation Programme (MAP): Leading for Impact (LIP)</b> An initiative under the Securities Commission Malaysia's Corporate Governance Strategic Priorities 2021-2023, which aims to provide directors with the foundation to address sustainability risks and opportunities effectively, and have better oversight over their companies' material sustainability matters.</li><li>• <b>Stepping Up to The Role: Objective Assurance &amp; Advisory on ESG</b> Conducted by the Malaysian Institute of Corporate Governance (MICG), which discussed the role of objective and independent assurance to establish trust and credibility in companies' Environmental, Social &amp; Governance (ESG) practices and disclosures. The session also highlighted emerging trends and common challenges faced in ESG assurance and advisory, and the best practices to address them.</li><li>• <b>Crisis Management Guide for Board Members</b> Organised by Institute of Corporate Directors Malaysia (ICDM), encompassing:<ul style="list-style-type: none"><li>➤ Prospective crisis scenarios – Identifying what constitutes a crisis;</li><li>➤ Crisis readiness assessment;</li><li>➤ Crisis management approach, process &amp; decision making; and</li><li>➤ Strategies and tactics for each scenario</li></ul></li></ul>

	<ul style="list-style-type: none"> <li>● <b>Sustainability Transition – Innovation as Change Drivers</b> Organised by Institute of Corporate Directors Malaysia (ICDM), covering: <ul style="list-style-type: none"> <li>➤ Innovations and key drivers of change</li> <li>➤ Designing the Board’s innovation process</li> <li>➤ Accelerating the transition to sustainability</li> </ul> </li> </ul>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:



### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>For companies to be resilient, Board need to incorporate material ESG risks and opportunities into the decision-making process.</p> <p>As highlighted in Practice 4.1, KPJ embraces this unequivocally where 2 Sustainability elements are included in the Company's Corporate Scorecard for the year 2023.</p> <p>This is parallel to the Fit &amp; Proper policy the Company embraces as featured on KPJ's corporate governance page of KPJ's website, which states the following:</p> <p><b>Objective:</b></p> <p>The objective of this Fit and Proper Policy is to outline a set of formal and transparent criteria for the NRC and the Board of Directors (the Board) in the selection of candidates for appointment as Directors.</p> <p><b>Fit &amp; Proper Criteria</b></p> <p><b>Experience &amp; Competence:</b></p> <p>(iii) possesses general management skills as well as an understanding of corporate governance and best practices as well as sustainability matters, including material matters on environmental, social and governance (ESG).</p> <p>In this regard, the evaluation of KPJ's Board's ability to achieve said Sustainability targets will be part of the Board Effectiveness Evaluation (BEE) for the year 2023, to be completed in March 2024.</p> <p>The management's performance evaluation for 2023 would also be completed by March 2024.</p> <p>The results are scheduled to be included in KPJ's Integrated Annual Report (IAR), due out in April 2024, which will be accessible to investors, analysts and market observers alike.</p>

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

### Intended Outcome

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

### Practice 4.5 – Step Up

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

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: <p>In January 2023, KPJ's SS was set up as a dedicated unit to drive the Company's Sustainability Agenda Groupwide.</p> <p>The SS, led by the Head of Sustainability, has been empowered to, primarily:</p> <ul style="list-style-type: none"><li>• Oversee initiatives Groupwide, i.e. for:<ul style="list-style-type: none"><li>i. Environment: Baseline for GHG emission, renewable energy, Waste Management Guideline (WMG), etc.</li><li>ii. Social (Internal): Fostering Our People</li><li>iii. Social (External): Patient &amp; Community Engagement</li><li>iv. Governance: Supply Chain Management</li></ul></li><li>• Present Sustainability Updates to KPJ's Board and Board Committees, in order to facilitate their oversight and strategic decision-making processes on Sustainability related matters.</li><li>• Drive awareness about and gain stakeholder support for KPJ's Sustainability Framework (SF) and the 3-year Roadmap.</li></ul> <p>The SS is also in charge of the development of KPJ's Sustainability Report 2023, which aims to provide a comprehensive view of the Company's corporate sustainability measures.</p> <p>Through disclosures that address a wide range of issues, such as reducing GHG, improving working conditions, promoting human rights, and conserving natural resources, KPJ's corporate sustainability report showcases how we create value and bring benefit to stakeholders in the long-term.</p>

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a formal and transparent criterion for the NRC and the Board in the selection of candidates as Directors and in the evaluation of Directors annually as well as for recommendation to the shareholders for re-election at the Annual General Meeting.</p> <p>The Board established a Fit and Proper Policy for the Board which took effect from 1 July 2022, where the proposed candidates to be appointed to the Board or re-election of directors to the Board are assessed to determine fitness and probity.</p> <p>The NRC has the following prerogatives as stated in the Board Charter:</p> <p><b>Composition and size of the Board</b></p> <p>The NRC should ensure that the Board composition is refreshed periodically, taking into consideration the required mix of skills and experience and other qualities.</p> <p>The NRC will review annually the overall structure, size and composition of the Board, tenure of each director, required mix of skills, independence, diversity and experience and other qualities, including core competencies and to determine if there is any gap in the Board composition and endeavour to close the gap, if any, to further strengthen the Board composition.</p> <p>At the Board meeting in August 2023, based on the outcome of the Board Effectiveness Evaluation (BEE) for the year 2022, the Board agreed that the Board has a good mix in terms of age, tenure, skill and experience. However, the Board took cognizance of the need to address the gender diversity target of 30% given that women directors currently comprise only 20% of KPJ's board composition.</p> <p>Accordingly, the Board already has in place the 9-year Directorship tenure in its Board Charter. All of the independent directors currently serving on the Board have served for less than 9 years.</p> <p><b>Appointment of Directors</b></p> <p>The appointment of a new Director is a matter for consideration and decision by the Board, upon the recommendation from the NRC. In</p>

	<p>making these recommendations, the NRC will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director brings to the Board.</p> <p>A proposed Independent Director also must satisfy the test of independence of an independent director as defined under Paragraph 1.01 and Practice Note 13 of the MMLR and must have the ability to act in the best interests of the Group, taking into account the candidate's character, integrity and professionalism.</p> <p>As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board Members.</p> <p>In June 2023, the Board approved the recommendation of the NRC for the appointment of Mr. Chin Keat Chyuan, as the PMD of KPJ. The appointment took effect on 1 September 2023. The NRC had gone through a robust assessment and interview to ensure Mr. Chin Keat Chyuan was suitable and met the required skill set and diligently considered his background, knowledge, character and integrity, experience and competency, time commitment and potential contribution to the Company and the subsidiaries.</p> <p><b>Re-election of Directors</b>  Rule 95(i) of the Company's Constitution provides that one-third (1/3) of the Directors, or, if their number is not a multiple of three (3), the number nearest to, but not exceeding one-third (1/3), shall retire from office at every Annual General Meeting (AGM). All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.</p> <p>Rule 96 of the Company's Constitution provides that any casual vacancy occurring in the Board may be filled up by the Directors, but any person so chosen shall retain his office only until the next following AGM of the Company, at the close of which he shall retire, but at which he shall be eligible for re-election.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at 31 December 2023, KPJ's Board comprises eleven (11) Directors i.e. one (1) Non-Independent Non-Executive Chairman, four (4) Non-Independent Non-Executive Directors, five (5) Independent Non-Executive Directors and one (1) President and Managing Director.</p> <p>The Independent Non-Executive Directors constitute 45.5% of the Board. Nevertheless, the Board has complied with Paragraph 15.02 of the MMLR which requires at least two (2) directors or one-third (1/3) of the Board, (whichever is the higher) to be Independent Directors.</p> <p>The present size and composition of the Board remain well-balanced. The Board are made up of professionals with a wide range of knowledge and experience in business, operations as well as medical, legal, finance and investment acumen all relevant to the direction of a large, expanding Group. The profiles of all Board Members, comprising of their qualification, experience and calibre are disclosed in the Board Profile section of the Integrated Annual Report 2023 under 'Who Governs Us' section.</p> <p>The Independent Non-Executive Directors do not engage in any business dealings or the day-to-day management of the Company. Hence, they are capable of exercising independent judgement and act in the best interests of the Company and its shareholders. All Independent Non-Executive Directors are qualified professionals in their respective fields and carry with them vast industry experience along with subject matter expertise in legal, accounting and business management.</p> <p>All Directors will declare annually as to whether he/she has any family relationship with any Director and/or major shareholder of KPJ, any conflict of interest with KPJ, any conviction for offences within the past five years (other than traffic offences, any sanctions and/or penalties imposed on them by any regulatory bodies during the current financial year).</p> <p>Although all the Directors have equal oversight responsibilities for the Group, the role of these Independent Non-Executive Directors is</p>

	<p>particularly important in ensuring that all business strategies proposed by the Management are fully and independently deliberated and assessed, takes into account the long-term interest of, not only the shareholders, but also employees, customers, suppliers and the many communities in which the Group operates.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	<p>The Company recognises the significance of meeting the requirement for the board to comprise a majority of independent directors and is diligently progressing toward satisfying this requirement within a suitable timeframe. The Company’s dedication to robust governance practices and transparency underscores our assurance to stakeholders that the Company is taking deliberate measures to appoint an independent director in a timely manner.</p>
<p><b>Timeframe</b></p>	<p>:</p>	<p>End of 2024</p>

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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.

<i>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.</i>													
<b>Application</b>	: Adopted												
<b>Explanation on adoption of the practice</b>	: Since 2017, KPJ has put in place the 9-year Directorship tenure as stipulated in paragraph 4.5.1 of the Board Charter which states that "The tenure of an independent director shall not exceed a cumulative term of nine (9) years".  None of KPJ Independent Directors has served a cumulative period of nine (9) years on KPJ Board. The Director's years of service as at 31 December 2023 were as follows: <table border="1" data-bbox="555 1016 1353 1160"><thead><tr><th>Tenures</th><th>No. of Directors</th><th>%</th></tr></thead><tbody><tr><td>0 – 3 Years</td><td>5</td><td>45</td></tr><tr><td>3 – 6 Years</td><td>5</td><td>45</td></tr><tr><td>6 – 9 Years</td><td>1</td><td>10</td></tr></tbody></table>	Tenures	No. of Directors	%	0 – 3 Years	5	45	3 – 6 Years	5	45	6 – 9 Years	1	10
Tenures	No. of Directors	%											
0 – 3 Years	5	45											
3 – 6 Years	5	45											
6 – 9 Years	1	10											

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Appointment of Directors</b></p> <p>All nominees to the Board are first considered by the NRC, taking into account the mix of skills, competencies, experience and other qualities required to oversee a highly-regulated healthcare business, before they are recommended to the Board. While the Board is responsible for the appointment of new Directors, the NRC is delegated to the role of screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board. The NRC evaluates the candidates' ability to discharge their duties and responsibilities before recommending their appointment as Directors to the Board for approval.</p> <p>The current Board's composition has the right balance of skills and expertise with vast experience to make meaningful contributions to the Board deliberation and decision-making. The NRC takes into account the current diversity in the skills, experience and age of the Board in seeking potential candidate(s).</p> <p>The Board is also guided by KPJ's Diversity, Equity &amp; Inclusion Policy, which was established on 1 November 2023. This policy superseded the Diversity &amp; Anti-Discrimination Policy introduced on 1 September 2022. The Policy is applicable to all Board of Directors, Senior Management and employees regardless of their level, including individuals under contract, secondment, apprenticeship, attachment, or any other category working under the supervision of KPJ and its Group of companies, whether compensated or not. The principles outlined in this Policy are relevant throughout KPJ's operations to promote all aspects of the Policy and appropriate conduct within the workplace.</p> <p>The details of the Board members' qualification, expertise and experience can be found in the Board profile under 'Who Govern Us' section of the Integrated Annual Report 2023.</p> <p>The present Board composition and diversity are as follows:</p>

	<table border="1"> <thead> <tr> <th>Gender Diversity</th> <th>No</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>9</td> <td>82</td> </tr> <tr> <td>Female</td> <td>2</td> <td>18</td> </tr> </tbody> </table>	Gender Diversity	No	%	Male	9	82	Female	2	18												
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Age Profile	No	%																				
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	<p><b>Appointment of Senior Management</b></p> <p>The appointment of key senior management was also made based on their skills, expertise, age and gender.</p> <p>The composition and diversity of KGMC are as follows:</p>																					
	<table border="1"> <thead> <tr> <th>Age profile</th> <th>41-45</th> <th>46-50</th> <th>51-55</th> <th>56-60</th> <th>61-65</th> </tr> </thead> <tbody> <tr> <td>No. KGMC</td> <td>1</td> <td>5</td> <td>5</td> <td>4</td> <td>1</td> </tr> </tbody> </table>	Age profile	41-45	46-50	51-55	56-60	61-65	No. KGMC	1	5	5	4	1									
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<b>Measure</b> :																						
<b>Timeframe</b> :																						

**Intended Outcome**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Fit and Proper Policy to outline a set of formal and transparent criteria for the appointment of new Directors. While the Board is responsible for the appointment of new Directors, the NRC is delegated to the role of screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board. The NRC evaluates the nominees' ability to discharge their duties and responsibilities before recommending their appointment as Directors to the Board for approval.</p> <p>The NRC has the authority to obtain the services of professional recruitment firms or consultants to source for suitably qualified candidates for directorships. Profiles of potential Directors are also obtained from external sources like Institute of Corporate Directors Malaysia (ICDM), of which KPJ is a corporate member.</p> <p>All nominees to the Board are first considered and evaluated by the NRC, taking into account the mix of skills, competencies, experience and other qualities required to oversee a highly-regulated healthcare business, before they are recommended to the Board.</p> <p>A proposed Independent Director also must satisfy the test of independence as defined under Paragraph 1.01 and Practice Note 13 of the MMLR and must have the ability to act in the best interests of the Group, taking into account the candidate's character, integrity and professionalism. The NRC evaluates the nominees' ability to discharge their duties and responsibilities and will conduct a formal engagement with the nominees before recommending their appointment as Directors to the Board for approval.</p> <p>The Company has engaged an external recruitment firm for the appointment of Mr. Chin Keat Chyuan as the President and Managing Director.</p>
	:	

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

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of Directors are published in the Integrated Annual Report. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in KPJ, if any.</p> <p>With regards to the proposed re-election of the Directors at the forthcoming 31<sup>st</sup> Annual General Meeting of the Company, the NRC will after the assessment via BEE 2023 and satisfied with the individual performance of the directors, will put forth its recommendation on the re-election of the Directors. The Board will propose to the shareholders for the re-election of the directors. The notes accompanying the notice of Annual General Meeting states the Board's recommendation on the re-election of Directors.</p> <p>Any Director standing for re-election who is a shareholder of KPJ will abstain from voting on the resolution in respect of his/her re-election at the Annual General Meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC is chaired by Dato' Mohd Redza Shah Bin Abdul Wahid who is the Senior Independent Director and the Chairman of Audit Committee of KPJ.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	There are presently 2 women directors out of 11 Board members (18% from total composition), i.e.	
		<ul style="list-style-type: none"> <li>• Puan Annie binti Rosle was appointed in June 2021</li> <li>• Ms. Lee Lai Fan was appointed in July 2022</li> </ul>	
		The Board acknowledges that diversity in its composition is essential in ensuring its effectiveness and good corporate governance and has established a goal to have at least 30% women representatives on the Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board aims to achieve a representation of 30% women directors, subject to the availability of suitably qualified candidates.	
<b>Timeframe</b>	:	Subject to the availability of suitably qualified candidates.	



### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is also guided by KPJ's Diversity, Equity and Inclusion Policy, which was introduced on 1 November 2023.</p> <p>This Policy is applied in overall people practices at work for all levels, inclusive of Board and senior management, and includes but is not limited to career opportunities, training and development, recruitment, compensation and benefits, talent identification, retention, performance management, promotions, job assignments, succession planning and engagement activities.</p> <p>Its implementation is to ensure that:</p> <ul style="list-style-type: none"><li>• KPJ has a diverse group of employees with the necessary range of perspectives, experience and expertise</li><li>• effective implementation of the Policy will facilitate KPJ Group response and manage challenges in a manner that is free of conscious or unconscious bias and discrimination</li><li>• KPJ meets requirements of any grounds listed as our Protected Characteristics and in line with the Federal Constitution where all persons are treated equally and entitled to equal protection</li><li>• aligned across the Group's operations for ensuring the successful promotion of all aspects of the Policy and appropriate behaviour in the workplace.</li></ul> <p>Earlier, in 2018, KPJ established the Policy on Diversity and Inclusion and has been published in KPJ's Sustainability Report (Social: Materiality People – Diversity).</p> <p>In 1 November 2023, KPJ established Diversity, Equity and Inclusion Policy which is an updated policy from earlier Policy on Diversity and Inclusion.</p> <p>This policy committed to adhere the United Nations Guiding Principles on Business and Human Rights, aiming to address the implementation and protection of human rights, with a particular focus on preventing discrimination and addressing the unique challenges faced by our employees.</p>

	<p>In line with the UN Sustainable Development Goal on gender equality, this policy also supports KPJ Healthcare's commitment to the Women's Empowerment Principles (WEP) mainly;</p> <p>a) Principle 1: Establish high-level corporate leadership for gender equality  b) Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination</p> <p>The Malaysian Code on Corporate Governance (“MCCG”) embraces the participation of women in decision-making positions does not only apply to board positions alone but should be extended to members of senior management.</p> <p>Guideline 5.10 of MCCG states as follows:</p> <p>“The participation of women in decision-making positions should not be focused onboard positions alone but should be broadened to include members of senior management as the same benefits apply. Thus, the board should establish gender diversity policies to support the participation of women on the board as well as senior management.”</p> <p>In light of the above principles, KPJ not only recognises the importance of women's involvement in senior management but also acknowledges the significance of diversity, equity, and inclusion in achieving strategic objectives, fostering sustainable growth and development, and enhancing corporate governance within the Group.</p> <p>This viewpoint aligns with the MMLR. KPJ places its trust in identifying and retaining high-performing, talented, and dedicated employees who possess the necessary qualifications, knowledge, experience, expertise, competencies, professionalism, integrity, and ability to fulfill their responsibilities and contribute to the organisation.</p> <p>Employee and Senior Management selection and appointments will prioritise merit, skills, knowledge, expertise, experience, professionalism, and integrity, regardless of gender, ethnicity, or age, with the goal of optimising organisational performance, efficiency, and effectiveness.</p>
<b>Explanation for departure</b>	: -
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

### Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NRC is primarily responsible for ensuring the effectiveness of the Board and Board Committees as well as for implementing an appropriate framework and plan for Board succession.</p> <p>The Board, through the NRC, undertakes a rigorous evaluation, BEE each year in order to assess how well the Board, its Committees, the Directors and the Chairman are performing, including assessing the independence of Independent Directors, taking into account the individual Director’s capability to exercise independent judgement at all times.</p> <p>The evaluation covers the Board’s composition, skills mix, experience, communication, roles and responsibilities, effectiveness as well as conduct. All Directors complete a questionnaire regarding the Board and Committees’ processes, their effectiveness and where improvements may be considered.</p> <p>The Board believes that an independent party will lend greater objectivity to the assessment process and has engaged a third party to undertake its BEE. An external consultant was engaged for the BEE exercise for the period from 1 January 2023 to 31 December 2023 (BEE 2023) in 2024.</p>
<b>Explanation for departure</b>	: :
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: :
<b>Timeframe</b>	: :



### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes that the levels of remuneration offered by the Group are sufficient to attract Directors of calibre as well as sufficient experience and talent to contribute to the performance of the Group.</p> <p><b>a) Remuneration for Board of Directors:</b> The Board Remuneration Framework governing the remuneration of directors is reviewed on an annual basis by the Board through the NRC where it takes into consideration various factors including the Directors' fiduciary duties, risks and time commitments as well as the relevant benchmark study.</p> <p><b>Directors' Remuneration</b></p> <ul style="list-style-type: none"><li>• Through the NRC, the Board has established a remuneration framework to attract and retain directors in which the NRC is responsible for making recommendations on the framework, policies and procedures in reviewing and determining the specific remuneration package of the Directors.</li><li>• The Non-Executive Directors are remunerated based on the fixed annual fees and benefits approved by the shareholders of the Company during each Annual General Meeting. The level of remuneration reflects the level of responsibilities undertaken by them.</li><li>• KPJ complies with Section 230(1) of the Companies Act 2016 which provides, among others, that the directors' fees and other benefits shall be presented to the shareholders for approval at the Annual General Meeting. Further details are set out under Practice 7.2 in this report.</li><li>• The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' Remuneration (excluding Directors' fees) on a monthly/quarterly basis and/or</li></ul>

	<p>as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.</p> <p><b>b) President and Managing Director:</b> The remuneration package of the President and Managing Director is structured to commensurate with the achievement of corporate targets set by the Board and his individual performance. It is designed to justly reward performance and be able to retain talent for the long term continuity and sustainability of the Group's business.</p> <p><b>c) Senior Management:</b> KPJ's Senior Management i.e. C-Suite are on fixed-term contracts and whose performance is evaluated and presented to the NRC.</p> <p>The Company is committed to provide competitive total compensation opportunities to attract, retain, motivate and reward our employees. The performances are measured based on the relative performance of the Company and individual employees' achievement to meet business needs and objectives.</p> <p>Every employee is entitled for benefits as such medical, travelling allowance (domestic and overseas), mileage claim and Employees Provident Fund (EPF) contribution of 13% with year of service 0-3 years and 15% for employees with years of service more than 4 years, for group of employees below 60 years old.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board has established the NRC to support the Board to carry out the nomination and remuneration functions.</p> <p>The role of the NRC in respect of remuneration is to propose to the Board, the remuneration framework of President and Managing Director, Executive Directors, Non-Executive Directors (including the Non-Executive Chairman and Independent Directors), Senior Management of KPJ Group and key pivotal positions in all its forms, drawing from outside advice as necessary. The NRC is also responsible to implement the policies and procedures on remuneration including reviewing and recommending to the Board, matters relating to the remuneration of the Board, Senior Management of KPJ Group and key pivotal positions which includes KPJ Group's executive remuneration policy, remuneration framework and performance measures criteria, including the various incentive or retention schemes implemented by KPJ Group.</p> <p>The composition of the NRC complies with the requirements of Paragraph 15.08A of the MMLR.</p> <p>The Terms of Reference of the NRC is made available to the public on the Company's website at: <a href="https://kpi.listedcompany.com/corporate_governance.html">https://kpi.listedcompany.com/corporate_governance.html</a></p> <p>The Board believes that the current composition of NRC is capable of acting collectively in the best interests of all shareholders in respect of the nomination &amp; remuneration of Board members and key senior management.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

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



### Intended Outcome

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The details of the disclosure on named basis of all individual directors – broken down by fees, salary, bonus, benefits in-kind and other emoluments are contained in the Integrated Annual Report – which are available on the Company's website at: <a href="https://kpj.listedcompany.com/ar.html">https://kpj.listedcompany.com/ar.html</a></p> <p>Notes: Meeting allowances were paid directly to all NEDs. * The payment of Directors' fees for nominee and are employees of Johor Corporation (JCorp) were paid to JCorp as Corporate Fee. * The payment of Committee fees for nominee and are employees of JCorp for Q1 and Q2 of 2023 were paid to JCorp as Corporate Fee. The payment of Committee fees for Q3 and Q4 of 2023 were paid directly to the NEDs. ** 50% of the Directors fees and Committee fees for nominee Director representing Employees Provident Fund (EPF) were paid to EPF as Corporate Fee *** The payment of Directors' fees for nominee Director representing and employee of KPJ were paid to KPJ as Corporate Fee. *** Appointed as PMD on 1 September 2023. *** Salary inclusive of Group's contribution to provident fund.</p> <p>The details are as below Table.</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	Datuk Md Arif bin Mahmood - Chairman	Non-Executive Non-Independent Director	220	36	-	-	31.2	-	<b>287.2</b>	220	36	-	-	31.2	-	<b>287.2</b>
2	Prof Dato' Dr Azizi bin Haji Omar	Non-Executive Non-Independent Director	120	187.4	-	-	-	216	<b>523.4</b>	156	191.9	-	-	-	216	<b>563.9</b>
3	Rozaini bin Mohd Sani*	Non-Executive Non-Independent Director	120	144	-	-	-	-	<b>264</b>	120	144	-	-	-	-	<b>264</b>
4	Shamsul Anuar bin Abdul Majid*	Non-Executive Non-Independent Director	120	154.6	-	-	-	-	<b>274.6</b>	120	154.6	-	-	-	-	<b>274.6</b>
5	Annie binti Rosle**	Non-Executive Non-Independent Director	120	72	-	-	-	-	<b>192</b>	120	72	-	-	-	-	<b>192</b>
6	Mohamed Ridza bin Mohamed Abdulla	Independent Director	120	154	-	-	-	-	<b>274</b>	120	154	-	-	-	-	<b>274</b>
7	Dato' Mohd Redza Shah bin Abdul Wahid	Independent Director	120	231	-	-	-	-	<b>351</b>	156	235.5	-	-	-	-	<b>391.5</b>
8	Khairuddin bin Jaflus	Independent Director	120	171	-	-	-	-	<b>291</b>	155.46	181.5	-	-	-	-	<b>336.96</b>
9	Hisham bin Zainal Mokhtar	Independent Director	120	187.4	-	-	-	-	<b>307.4</b>	120	187.4	-	-	-	-	<b>307.4</b>
10	Lee Lai Fan	Independent Director	120	103	-	-	-	-	<b>223</b>	120	103	-	-	-	-	<b>223</b>
11	Chin Keat Chyuan***	Executive Director	-	53	592	-	8.2	-	<b>653.2</b>	-	53	592	-	8.2	-	<b>653.2</b>

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board
<b>Explanation on application of the practice</b>	:	<p>As per the Integrated Annual Report, KPJ's top five senior management's remuneration components are made available in the Integrated Annual Report – which is available in the physical version as well as upload on the website. To note that there had been changes in the Senior Management Team (SMT) lineup during the year 2022 as well as during the first quarter of 2023, i.e. as follows:</p> <p><b>a) Resignations</b> : 1</p> <ul style="list-style-type: none"> <li>➤ Chief Corporate Officer (CCO) : Resigned 28/2/2023</li> </ul> <p><b>b) Brand New Appointments</b> : 4</p> <ul style="list-style-type: none"> <li>➤ Chief Human Resources Officer</li> <li>➤ President &amp; Managing Director</li> <li>➤ Chief Strategy Officer</li> <li>➤ Chief Marketing Officer</li> </ul> <p><b>c) Appointment from existing Regional CEO (RCEO)</b> : 1</p> <ul style="list-style-type: none"> <li>➤ Chief Operating Officer Appointment 9/7/2022</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Norhaizam Mohammad	Chief Financial Officer	550,001-600,000	100,001-150,000	150,001-200,000	0-50,000	300,001-350,000	1,150,001-1,200,000
2	Dato' Farid Salim	Chief Operating Officer, Hospital Operations	550,001-600,000	50,001-100,000	100,001-150,000	0-50,000	0-50,000	850,001-900,000
3	Nantha Kumar Subramaniam	Chief Digital Officer	700,001-750,000	50,001-100,000	-	0-50,000	-	800,001-850,000
4	Dr. Nik Fawaz Nik Abdul Aziz	Chief Operating Officer, Group Allied and Retail Health Operations	550,001-600,000	50,001-100,000	-	0-50,000	-	700,001-750,000
5	Norhamijah Mohd Hanafiah	Chief Human Resource Officer	400,001-450,000	0-50,000	-	0-50,000	-	450,001-500,000

**Intended Outcome**

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

**Practice 8.3 – Step Up**

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

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the KPJ Board is not the Chairman of KPJ's Audit Committee.</p> <p>The current Chairman of the Audit Committee is Dato' Mohd Redza Shah bin Abdul Wahid. Formerly a member of the Audit Committee, Dato' Mohd Redza Shah bin Abdul Wahid was appointed as the Chairman of the Audit Committee on 23 June 2021.</p> <p>Dato' Mohd Redza Shah bin Abdul Wahid has a long career in accountancy and economics, in addition to hands-on experience in corporate directorship and strategic business management.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Terms of Reference (TOR) of the Audit Committee include that former key audit partner and any other professionals with previous dealing with the Company are to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.</p> <p>Historically, none of the present or past members of the Audit Committee were former key audit partners of any external audit firms.</p> <p>The Company will ensure that the cooling-off period of 3 years is observed if and when we are seriously considering such a person for appointment to the Audit Committee.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee annually assesses the independence and objectivity of the external auditors during the year and prior to any appointment of the external auditors for ad hoc non-audit services. The Committee also received from the external auditors their policies and written confirmation regarding their independence and the measures used to control the quality of their work.</p> <p>The AC was satisfied with the independence of the present external auditor Ernst &amp; Young (“EY”) based on the quality of audit, performance, competency and sufficiency of the resources that EY provided to the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 – Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee (AC) currently comprises of 1 Senior Independent Non-Executive Director (INED), 2 INED and 1 Non-Independent Non-Executive Director (NINED), who collectively are all sufficiently experienced, having served in related capacities in prior employment. Details of the AC Chairman and Committee members are available on the KPJ Website and Integrated Report.</p> <p>The annual review of the composition and performance of the AC, including members' tenure, performance and effectiveness as well as their accountability and responsibilities, was duly assessed via the Board Effectiveness Evaluation (BEE).</p> <p>Collectively, AC members are qualified individuals having the essential skills and expertise to discharge the AC's functions and duties. AC's financial literacy and ability to understand the financial reporting process have contributed to the AC's discussion in upholding the integrity of the Company's financial reporting process and financial statements.</p> <p>The full details of the AC activities in 2023 are elaborated in the Audit Committee Report's section in the KPJ's Integrated Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>KPJ's Board affirms its overall responsibility for establishing the Group's system of internal controls and risk management framework as well as reviewing its adequacy and effectiveness. The Board has in place a sound governance structure, risk management framework and internal control system in the organisation. It is assisted by Risk, Sustainability and Governance Committee (RSGC) and Audit Committee (AC) to oversee all matters with regards to risks, controls and governance.</p> <p>Group Risk and Compliance (GRC) is under the purview of Head of Group Risk and Compliance who spearheads risk management activities to assist RSGC in ensuring adequate risk management controls are in place.</p> <p>The Risk Management Guidelines have been updated by the Group Risk and Compliance (GRC) following Management approval in October 2023. The revision aligns with the ISO 31000:2018 Risk Management standard and incorporates the latest best practices in the field. This updated document aims to seamlessly integrate risk management into the decision-making processes of all business units and subsidiaries, enhancing organizational resilience and preparedness. The revised guidelines outline the new risk governance structures, including the streamlined reporting of the Risk and Compliance Officer to the GRC, along with processes and delegated authorities implemented across the Group for the execution of risk management activities. This updated guideline replaces the 2019 KPJ Risk Management Guidelines.</p> <p>The Group has put in place an Enterprise-Wide Risk Management (ERM) framework for managing risks associated with its business and operations. The ERM framework features a risk governance structure that comprises 3 levels of defence with clear lines of responsibilities and accountabilities.</p> <ol style="list-style-type: none"><li>1<sup>st</sup> Line of Defence: Hospital-level Management &amp; Board</li><li>2<sup>nd</sup> Line of Defence: Group Clinical &amp; Group Risk &amp; Compliance</li><li>3<sup>rd</sup> Line of Defence: Internal Audit Services at Headquarters (HQ)</li></ol>

	<p>KPJ's Anti-Bribery Management System (ABMS) provides a strong foundation for the Board and management to oversee corporate liability risks (as well as to meet the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 [Amendment 2018]. This system further underpinned KPJ corporate integrity framework through enforcement of Gift, Entertainment and Corporate Hospitality Policy, Asset Declaration Policy, Whistleblowing Policy and Integrity Pact that are designed to uphold ethical and responsible behaviour by management and employees and to avoid conflicts of interest in ongoing or potential business dealings between the Groups, suppliers and services.</p> <p>The risk management and internal controls frameworks are disclosed in the Statement on Risk Management and Internal Control Report and the Audit Committee Report.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As outlined in KPJ's Statement on Risk Management and Internal Control (SORMIC), there have been several measures undertaken to strengthen risk management and internal control in KPJ:</p> <p>a) The formation of several Committees whose main tasks are to identify, evaluate, monitor and manage the significant risks affecting the Group operations, as listed below:</p> <ul style="list-style-type: none"><li>• <b>Risk, Sustainability &amp; Governance Committee (RSGC)</b> RSGC is a Board Committee chaired by an Independent Non-Executive Director of the Board. RSGC is entrusted to evaluate and review the assessment of risk identification, the effectiveness of Enterprise Risk Management, process of assessing and managing Group's Principle risks. The committee reviews and evaluates the Group level risk exposures and management of significant clinical and non-clinical risks identified. The RSGC also provides oversight on the governance and in the overall effectiveness of the Group's sustainability strategies, priorities and targets. It ensures the Group not only complies and align with the Group's commitment towards integrating sustainable practices but also strives for an industry-leading position in sustainability.</li><li>• <b>Group Medical Advisory &amp; Clinical Governance Committee (GMACGC)</b> The Committee is chaired by a Senior Medical Professional, who is also a member of KPJ's Board. The GMACGC is the apex clinical committee that is responsible for the Group's clinical governance framework and guidelines for sound and ethical medical practices.</li></ul> <p>There are various sub-committees under the GMACGC; namely Group Medical Director Council (GMDC), Transformation and Quality Innovation Committee (TQIC), Professional Development</p>

Committee (PDC), Education & Research Committee (ERC) and the Clinical & Research Ethic Committee (CREC).

MAC reviews the Group's clinical governance that includes policies, guidelines, standard operating procedures and clinical compliance framework for the approval of the Board to inculcate a safe, healing, ethical environment and promulgate good clinical governance practices that are consistent with the Board's business direction and risk tolerance.

- **Tender Committee (TC)**

TC is a Board Committee chaired by an Independent Non-Executive Director of the Board. The TC oversees the timeline and costing of each project undertaken by the Group and to address any issues relating to these projects. TC evaluates, deliberates and approves all major procurement contracts within its authority limits set by the Board. TC also evaluates the recommendations made by the Management on selected contractors for the Board's approval.

The Terms of Reference (TOR) for the committees are available at [https://kpj.listedcompany.com/corporate\\_governance.html](https://kpj.listedcompany.com/corporate_governance.html)

- b) Enterprise Risk Management (ERM): The Group has put in place an Enterprise-Wide Risk Management framework for managing risks associated with its business and operations.

The ERM framework features a risk governance structure that comprises 3 levels of defence with clear lines of responsibilities and accountabilities. Group risk is structured to provide adequate support to business units and subsidiaries in relation to risk management practices and implementation as well as to guide the priorities and direction of group risk management activities.

- c) The Risk Management Guidelines of KPJ, which have been in effect since 2019 at all hospitals, is guided by ISO 31000:2018 Risk Management standard. This guideline offers a systematic and uniform approach to risk management throughout the Group, aligning with industry best practices. Following Management approval in October 2023, the Group Risk and Compliance (GRC) has updated the Risk Management Guidelines to incorporate the latest practices in risk management. The revised document is strategically crafted to seamlessly integrate risk management into the decision-making processes of businesses, promoting enhanced organizational resilience and preparedness.

The updated guidelines provide comprehensive insights into the new risk governance structures, including the efficient reporting of the Risk and Compliance Officer to the GRC, as well as the processes and

	<p>delegated authorities implemented across the Group for the execution of risk management activities. Additionally, the document outlines a well-defined process for addressing and prioritizing risks, introduces Key Risk Indicators ("KRI"), and places emphasis on key risk reporting.</p> <p>d) The KPJ Business Continuity Management (BCM) Framework, initiated in April 2021. It serves as a comprehensive reference for BCM concepts, expectations, and deliverables to be uniformly adopted throughout the entire Group. The primary goals of this framework are to mitigate disruptions and safeguard business assets. Formulated in accordance with ISO 22301: 2019 – Business Continuity Management, a revised overarching BCM plan for the entire KPJ Group was introduced in October 2023.</p> <p>The updated BCM Framework establishes the minimum standards and principles for BCM management. It delineates the revised structure, processes, and responsibilities for KPJ's BCM program. Simultaneously, the Crisis Management Plan was introduced to guide KPJ in effectively responding to business disruptions and swiftly resuming critical operations. The plan seeks to minimize disruptions to crucial services and functions by defining the roles and responsibilities of key personnel, improving communication protocols, and offering guidance on effectively managing the recovery process.</p> <p>e) Governance, Risk Management and Compliance (GRC) software: As part of its strategy in improving data quality management and streamline the risk governance, practices and reporting across the companies and subsidiaries, since 2021, KPJ has started to embark on a Governance, Risk Management and Compliance (GRC) software for a systematic and structured monitoring and reporting of risks within KPJ. In response to KPJ's additional requirements outlined in the revised KPJ Risk Management Framework, Group Risk and Compliance ("GRC") has initiated and completed the customization and enablement of new functionalities for the ERM, BCM, and Compliance modules. These enhancements include the development of three-tier dashboards, improved analytical capabilities, a notification function, and report generation. The project has successfully transitioned from the testing environment to the production environment in October 2023</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

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

**Practice 10.3 – Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>KPJ’s Risk, Sustainability and Governance Committee (RSGC) is established as a committee of the Board.</p> <p>RSGC supports the Board by overseeing the Risk Management, Sustainability &amp; Governance framework of KPJ and its group of Companies (Group), regularly assessing the framework to ascertain its adequacy and effectiveness.</p> <p>The Committee members are appointed by the Board amongst their members and consist of not less than 4 members, with a majority of independent directors.</p>



**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established the Internal Audit Services (IAS) that carries out KPJ’s internal audit function.</p> <p>IAS, as the third line of defence, reviews the effectiveness of the internal control structures over the Group activities focusing on high-risk areas as determined using a risk-based approach. All high-risk activities in each auditable area are audited annually in accordance with the approved Audit Plan. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group.</p> <p>IAS reports functionally to the AC and administratively to the President &amp; Managing Director. IAS is independent of the activities or operations of other operating units.</p> <p>IAS’ authority, scope and responsibilities are governed by its Audit Charter and are aligned with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA).</p> <p>All IAS personnel signed an Independence Statement as well as a declaration of compliance with the Code of Ethics of the IIA in carrying out their duties. The IAS shall ensure that the internal audit activities conform to the International Standards for Professional Practice of Internal Auditing (Standards) issued by IIA. This includes IAS functions being assessed by a qualified independent assessor once in five years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The in-house Internal Audit Services (IAS) carries out KPJ’s internal audit function in assisting the Board to oversee that Management has in place sound risk management, internal control and governance systems.</p> <p>All IAS personnel signed an Independence Statement as well as a declaration on compliance to the Code of Ethics of the Institute of Internal Auditors (IIA) in carrying out their duties. The IAS is headed by the Head of IAS. As of 31 December 2023, there are a total of 18 internal auditors who performed the audit across KPJ Group and the auditors are segregated into two teams of Financial and Operational auditors and IT auditors.</p> <p>The adequacy of internal audit resources will also be evaluated during the preparation of the Audit Plan and presented for approval in the Audit Committee. Any additional resources are to be approved by the Audit Committee.</p> <p>The name and qualification of the Head of IAS were mentioned in the Integrated Annual Report 2023 under the Audit Committee Report section.</p> <p>Various physical and virtual in-house training programmes and external courses were provided to staff members in the areas of auditing skills, technical skills, leadership, data analytic, business acumen, strategic management and personal development to enhance the desired competency level.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>KPJ as a corporate entity emphasizes on transparency, fairness, timeliness &amp; accuracy of information, constant interaction, respect and a commitment to mutual support, in line with good corporate governance practice. It is imperative to maintain transparency as it sustains trust and understanding in the relationship.</p> <p>Therefore, as part of the Group's commitment to promote a high level of communication and transparency with the investment community, several measures are practiced:</p> <p>a) The senior management participate in Analyst Briefing sessions from time to time, especially every quarter following announcements of the Group's results and performance. Presentations are made, where appropriate, to explain the Group's strategies, performance and major developments. However, any information that may be regarded as privileged material information about the Group will be safeguarded until such time that such information has been announced to Bursa Malaysia Securities Berhad as required by the MMLR.</p> <p>The Senior Management personnel involved in Investor Relations activities during the period under review were:</p> <ul style="list-style-type: none"><li>• Chin Keat Chyuan, President &amp; Managing Director</li><li>• Norhaizam Binti Mohammad – Chief Financial Officer</li><li>• Michael Leddin – Chief Strategy Officer</li></ul> <p>b) Shareholders &amp; corporate investors engage directly with our Board &amp; senior management through Annual General Meeting (AGM). During the meeting, the PMD reports on KPJ's performance for the year under review. The shareholders were given an ample time to raise their questions and concern to the Chairman, President and Managing Director, and other Directors.</p> <p>c) In addition, the Group has established a website at <a href="http://www.kpjhealth.com.my">http://www.kpjhealth.com.my</a> which shareholders and stakeholders</p>

	<p>can access, where the Group’s quarterly and annual results announcements and mandatory announcements pursuant to MMLR, on the IR webpage in the Group’s website immediately after announcements are made on the Bursa Malaysia’s website.</p> <p>d) This website also sends out alerts to investors who opted to get this service for free on any announcement by the Company to Bursa. The shareholders and stakeholders are encouraged to channel their concern to the Investor Relations Services which contact number and email address at <a href="http://kpj.listedcompany.com/contact.html">http://kpj.listedcompany.com/contact.html</a>.</p> <p>e) To facilitate the stakeholders’ understanding of the Company with regards to its policies and governance, the Company has placed information of Board of Directors and Executive Committees Members as well as other corporate information under section “Corporate Profile” and documents pertaining to Corporate Governance, Board Charters and Terms of Reference can be found under Section Corporate Governance, for easy reference.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

There is 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 recognized framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company has been publishing its Integrated Annual Report from FY 2018 by adopting International Integrated Reporting Council's ("IIRC") framework.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted the 28 days prior notice to shareholders, compared to 21 days requirement under the Companies Act 2016. The notice of KPJ's 30th AGM was announced on 27 April 2023, whereas the date of the meeting was 22 June 2023.</p> <p>Therefore, 40 days (excluding weekends and Malaysian public holidays) were effectively given to the shareholders.</p> <p>The notice was circulated to shareholders through:</p> <p>a) Publication of notice in newspaper b) Annual Reports are uploaded onto KPJ and Bursa's websites</p> <p>Shareholder Notification Cards were sent via post/email to shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All KPJ Directors were present at KPJ's 30th Annual General Meeting ("AGM") held on 22 June 2023.</p> <p>This included the Chairpersons of the Board Committees, namely:</p> <ul style="list-style-type: none"><li>• Dato' Mohd Redza Shah bin Abdul Wahid, Chairman of Audit Committee &amp; Nomination &amp; Remuneration Committee</li><li>• Encik Mohamed Ridza Bin Mohamed Abdulla, Chairman of Risk, Sustainability &amp; Governance Committee</li><li>• Encik Khairuddin Jaflus, Chairman of Tender Committee</li><li>• Encik Hisham bin Zainal Mokhtar, Chairman of Investment Committee</li></ul> <p>The OIC presented to the shareholders the Group's 2022 Performance report, outlining key financial performance, corporate initiatives and achievements, as well as the challenges and opportunities faced throughout the 2022 Financial Year. The questions put forth by the Minority Shareholders Watchdog Group (MSWG) were also presented to the shareholders present during the AGM, together with the Management's response to the questions raised.</p> <p>Shareholders were also given the opportunity to pose questions to the Board and Management during the AGM. In accordance with paragraph 8.29A(1) of the Main Market Listing Requirements of BursaMalaysia, all resolutions in the AGM Notice were put to vote by poll, using the Remote Participation and Voting ("RPV") facility provided by Tricor Investor &amp; Issuing House Sdn Bhd ("Tricor"). The online voting is open from the onset, and shareholders may vote to any time up to close of the voting. For the benefit of shareholders who did not attend the AGM, the OIC's deck on KPJ performance slides and the results of the voting on all the resolutions tables at the AGM were posted on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KPJ continued leveraging on technology to carry out its Annual General Meetings (AGMs) i.e. in years 2021, 2022 and 2023 in accordance with the Company’s Constitution and the Act.</p> <p>Throughout this process, KPJ appointed Tricor Investor &amp; Issuing House Sdn Bhd (“Tricor”) i.e. the largest corporate secretarial services provider in Asia located in Kuala Lumpur.</p> <p>For year 2023, KPJ’s Annual General Meeting (AGM) was conducted fully virtual. The broadcast venue for the meeting was held at KPJ Ampang Puteri Specialist Hospital, No. 1, Jalan Memanda 9, Taman Dato Ahmad Razali, 68000 Ampang, Selangor, using Tricor’s Online Meeting Platform via the TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. Resolutions were uploaded on Bursa Malaysia’s website at: <a href="https://www.bursamalaysia.com/market_information/announcements/">https://www.bursamalaysia.com/market_information/announcements/</a></p> <p>Shareholders participated via:</p> <p><b>a) Remote shareholders’ participation</b></p> <p>Shareholders exercised their right to attend, participate and vote at the meeting remotely by using the Remote Participation and Voting (“RPV”) facilities at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company requested Bursa Malaysia Depository Sdn Bhd. to make available to the Company, the Record of Depositors as at 15 June 2023.</p> <p>Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.</p>



	<p>Detailed procedures were provided to shareholders in the Administrative Guide. A short video by Tricor was played to demonstrate to the members, corporate representatives and proxies who were present at the 30<sup>th</sup> AGM on the process for online voting via TIIH Online.</p> <p><b>b) Voting in absentia</b></p> <p>Shareholders logged on with their usernames and passwords at Tricor’s TIIH Online website and participated remotely via live streaming at the 30<sup>th</sup> AGM.</p> <p>The results of the poll were duly validated by Scrutineer Solutions Sdn Bhd, the Independent Scrutineer appointed by KPJ.</p> <p>The poll results were also announced at Bursa Malaysia’s website on the same day for the benefit of all shareholders. The 30<sup>th</sup> AGM Minutes were also made available on KPJ’s website.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

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

## Practice 13.4

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Datuk Md Arif Bin Mahmood presided as Chairman of the Annual General Meeting (Datuk Chairman) of the 30<sup>th</sup> Annual General Meeting (AGM or Meeting) of KPJ on Thursday, 22 June 2023.</p> <p>At the start of the meeting, Datuk Chairman welcomed all shareholders, corporate representatives and proxies to the meeting.</p> <p><b>Meaningful Engagement between the board, senior management and shareholders, including opportunities for a robust discussion:</b></p> <p>Datuk Chairman played a key role throughout the AGM as follows:</p> <ul style="list-style-type: none"><li>• Informing participants that the meeting would be carried out virtually - using the remote participation and voting (RPV) facilities of Tricor Investor &amp; Issuing House Services Sdn Bhd's (Tricor) TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> or <a href="https://tiih.com.my">https://tiih.com.my</a>.</li><li>• All the Directors of KPJ as well as the Officer-In-Charge and the Chief Operating Officer were present at the 31<sup>st</sup> AGM to provide responses to questions from shareholders via the TIIH online website at <a href="https://tiih.online">https://tiih.online</a> in relation to the agenda items, both prior and during the said AGM.</li><li>• The AGM fulfilled all stipulated requirements, including:<ul style="list-style-type: none"><li><b>i. Tabling of the summary report on proxy forms received:</b></li></ul></li></ul> <p>At Datuk Chairman's request, Company Secretary (CoSec) reported that 233 valid proxy forms were received representing 74.46% of the total number of issued shares of KPJ. Noted that holders of 756,033,440 ordinary shares, equivalent to 17.32% of</p>

the total number of the Company's issued shares appointed Datuk Chairman to be their proxy.

**ii. Shareholders were able to obtain information relevant to making informed decisions, via:**

- **Presentation of an overview of KPJ business operations from a board perspective:** Datuk Chairman briefed the shareholders that in 2022, KPJ witnessed a positive shift as Malaysia and the world moved beyond the challenges of COVID-19. He added that in its commitment to deliver excellent services, KPJ has opened its 29<sup>th</sup> hospital, Damansara Specialist Hospital 2, expanded its bed capacity and optimised its operations to meet the growing demand for healthcare services.
- **Response to Minority Shareholders Watch Group's (MSWG) questions and answer by the Officer-In-Charge:** Officer-In-Charge responded to the questions posed by the MSWG prior to the Annual General Meeting.
- **Laying out Audited Financial Statements to shareholders under Agenda 1:** Datuk Chairman explained that the Audited Financial Statements of the Company for the financial year ended 31 December 202s were circulated to shareholders on 27 April 2023 as per Section 340(1)(a) of the Companies Act 2016.
- **Presentation by Officer-In-Charge:** Officer-In-Charge presents KPJ's financials, growth plan, and KPJ's commitment to sustainability and environmental social and governance (ESG) practices.

Post AGM, the minutes of the AGM and the Officer-In-Charge's presentation were uploaded onto KPJ's website at <https://kpj.listedcompany.com/agm.html>.

**iii. Shareholders were able to pose questions, including through:**

- Submission of questions before the AGM via RPV facilities. Datuk Chairman answered the questions received from shareholders during the AGM.
- **Independent Moderator for Question & Answer (Q&A) session:** Tricor Business Intelligence & Solutions Sdn Bhd, which had been appointed as the independent moderator, objectively streamed questions received from the shareholders. To ensure effective communications with

	<p>shareholders at this fully virtual AGM, the shareholders' questions were displayed on the screen for the shareholders' reference.</p> <ul style="list-style-type: none"> <li>➤ KPJ received 2 questions from shareholders and were answered by Datuk Chairman. 3 questions were received after the Q&amp;A session had ended. Hence, the questions were subsequently answered and published on the Company's website within 30 business days of the AGM's conclusion.</li> </ul> <p><b>iv. Transparent Polling:</b></p> <ul style="list-style-type: none"> <li>➤ <b>A video recording of the remote poll voting procedures:</b> was played during the meeting for benefit of shareholders.</li> <li>➤ <b>Polling process:</b> Datuk Chairman said all the proposed resolutions to be tabled at the 30<sup>th</sup> AGM were to be voted by poll in accordance with paragraph 8.29A(1) of Bursa Malaysia Securities Berhad's MMLR, using the RPV facilities provided by Tricor.</li> <li>➤ <b>Verification of the Polling Results:</b> Datuk Chairman further announced the verification of the poll; and declared that all resolutions tabled at the AGM as carried.</li> <li>➤ <b>Independent Scrutineer:</b> an independent scrutineer, namely Scrutineer Solutions Sdn Bhd verified the votes cast as well as the poll results.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KPJ continued to appoint Tricor Investor &amp; Issuing House Sdn Bhd (Tricor) i.e. the largest corporate secretarial services provider in Asia, to conduct its virtual AGM in 2023. Tricor has been supporting KPJ in terms of virtual AGMs since 2020.</p> <p>KPJ's Chairman and OIC were able to manage the Q&amp;A session smoothly and efficiently. Each questions received were displayed on the screen as and when the Chairman, OIC and/or other respondents provided their responses to the respective questions accordingly in an orderly manner.</p> <p>Shareholders, corporate representatives and proxies were able to participate virtually, i.e. ask questions and vote on the resolutions set out in the Notice of Meeting dated 27 April 2023. Shareholders participated virtually using the remote participation and voting (RPV) facilities of TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> or <a href="https://tiih.com.my">https://tiih.com.my</a>. This met with the requirement that the online voting process must be able to allow members to cast their votes in time during the proceedings of the general meeting as stipulated in SC's Guideline.</p> <p>The poll results were verified by the scrutineers, Scrutineer Solutions Sdn Bhd.</p> <p>The responses to questions from the shareholders that could not be answered during the meeting were also published on KPJ's website.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of Meeting of the 30 <sup>th</sup> AGM was uploaded onto KPJ's website on 28 July 2023, i.e. 25 business days after the meeting.
<b>Explanation for departure</b>	: :
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: :
<b>Timeframe</b>	: :