

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5878
COMPANY NAME : KPJ Healthcare Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p><u>Board Duties and Responsibilities.</u></p> <p>All members of the Board contribute significantly in the areas of formulation of strategic direction and policies, performance monitoring and allocation of resources and enhancement of controls and governance.</p> <p>The Board and Management jointly promote a healthy corporate governance ("CG") culture which reinforces ethical, prudent and professional behaviour in accordance with the Malaysian Code on Corporate Governance. The Board believes in playing an active role in guiding the Management through its oversight review while at the same time steer the Group's business direction and strategy.</p> <p>The Board has established a Corporate Governance Model to ensure the effective discharge of its duties and responsibilities. The Board delegates specific powers to the relevant Board Committees with clearly defined terms of reference. There are 5 Board Committees namely Audit Committee ("AC"), Risk & Governance ("RGC"), Tender Committee ("TC"), Nomination & Remuneration ("NRC"), and the Investment Committee ("IC"). The Group's Corporate Governance Model is illustrated in the Corporate Governance Overview section of KPJ's Integrated Report on page 131.</p> <ul style="list-style-type: none">• Reviews and approves the strategic business plans for the Group <p>The Strategic Business Plan for the period 2021 – 2025 was tabled, discussed and approved by the Board in its meeting on 6 November 2020.</p> <p>In ensuring that the strategic plan support long term value creation, the Board reviewed the outcome of the Key Performance Indicators (KPIs) and validated the materiality matters. Additionally, on an ongoing basis, the Board will review and guide the corporate strategy (including the</p>

materiality matters), major plans of action, risk management policy and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestitures.

- **Oversees the conduct of the Company's business**

The President and Managing Director is responsible for leading the Management in running the business and operation of the Group, according to the broad policies, strategies and action plans approved by the Board. He is supported by the KPJ Group Management Committee ("KGMC") and other committees established under the Group's Management Governance framework.

On a quarterly basis, the Board has the responsibility to oversee and review the agreed Management's Key Performance Indicators (KPIs) on the execution of strategic initiatives, operational and financial performance against the set targets and budget at every Board meeting.

The relevant members of the Management are present at Board meetings to support the President and Managing Director in presenting operational and financial updates, the progress of key initiatives and achievement to date, and provide clarification on queries and issues raised by the Board.

The performance of the Group will be benchmarked against the performance of its set targets and that of its competitors. All major operational matters will be discussed and the appropriate consultation will be sought, where necessary.

- **Identifies and manages principal risks while ensuring the implementation of appropriate systems to manage these risks**

In March 2019, the Group issued the 2019 KPJ Risk Management Guidelines, formulated based on the ISO 31000:2018 Risk Management, to all its hospitals. This superseded the old guidelines which were based on the Australian/New Zealand Standard 4360:1999 Risk Management and HB228:2001 Guidelines for Managing Risks in Healthcare.

The Group has also 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.

The RGC assists the Board in overseeing the overall ERM framework and the Group Risk Services will table major risk incidents any breaches of thresholds of risk management for the non-clinical risk matters to the RGC meetings on quarterly basis.

The Group has measures to prevent and eliminate all forms of bribery/corruption risks, to achieve the Organization's vision and mission to safeguard the interest of its stakeholders.

In November 2021, KPJ completed the Anti-Bribery Management System (ABMS) Surveillance Audit by SIRIM, where no non-conformances were recorded, with 1 "Opportunity for Improvement". To further ensure zero-tolerance for bribery and corruption, KPJ's Integrity Unit (IU) conducted a series of awareness training on ABMS and related SOPs throughout 2021.

In addition, Integrity Ambassadors have been appointed in all companies in the Group to assist the IU in instilling and promoting ethical values among employees. The identification of bribery risk for hospitals and subsidiary companies has been initiated and developed progressively.

The year 2021 also saw the introduction of the ABMS Compliance Checklist Reporting as a control mechanism in monitoring the ABMS SOP Group implementation. Collaboration with the Malaysian Anti-Corruption Commission was initiated in 2021 and a series of ongoing engagements are planned for 2022.

As a healthcare services provider, clinical risk forms the biggest risk class the Group faces. The Clinical Risk Management Committee ("CRMC") - which comprises medical consultants of various disciplines - reviews and deliberates on all reported clinical risk incidences. The minutes and decisions of CRMC are presented to the Medical Advisory Committee ("MAC"), which is the apex-committee for all clinical matters of the Group.

More details have been disclosed in the Key Risk and Opportunities, Statement on Risk Management and Internal Control (SORMIC), and MAC Statement in the Integrated Report.

- **Succession planning**

The Board through the NRC is responsible to ensure an effective and orderly succession planning in the Group, including to review candidates for Directorship and key management positions, ensuring that they are of sufficient calibre based on their profiles, professional achievements and personality assessment. The NRC also determines the remuneration for new appointments and renewal of service contracts of key management staff.

In 2021, the NRC reviewed the new nominations and appointments of 2 Non-Independent Non-Executive Directors (NINED), and 2 Independent Non-Executive Directors (INED). There were also 5 new appointments among the C-Suite (i.e. senior management), namely the new Chief Operating Officer (COO), Chief Corporate Officer (CCO), Chief Transformation Officer (CTO), Chief Commercial Officer (CCMO) and Chief Human Resource Officer (CHRO)

- **Develops and implements the Investor Relations (“IR”) programme for effective shareholder and stakeholder communications for the Group**

The Group has introduced many activities regarding the engagement and communication with stakeholders (including investors) to ensure that they are well-informed about the Group’s affairs and development in accordance with its IR policy. Details of the IR activities can be found at Stakeholder Engagement section of the Integrated report pages 90 to 95.

- **Reviews the adequacy and integrity of the Group’s internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines**

Board’s function in fulfilling these responsibilities effectively are supported and reinforced through the various Committees established at both Board and Management levels. Aided by the Group Internal Audit Services that operates independently, the active functioning of these Committees provide a strong check and balance, as well as assurance on the adequacy of the Group’s internal controls. Detailed discussion of these functions are elaborated in the Audit Committee Report; and the Statement on Risk Management and Internal Control on pages from 151 to 161 of the Integrated Report.

The Board is also responsible for ensuring the smooth function of core processes, board governance, corporate values and ethical oversight. The Independent Non-Executive Directors will further provide an independent and objective perspective that acts as an effective check and balance mechanism in deliberating the above mentioned.


- **Strategies Promoting Sustainability**

The Board believes that developing sustainable business practices is not only critical to the future of the Group, but also for the benefit of future generations as well. For the Group, sustainability means balancing the Economic, Environment and Social (EES) aspects in operating a competitive and ethical business through good practices and policies which are applied to all stakeholders. The Group’s commitment to the evolving EES is disclosed in the Sustainability Report.

- **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 2021, the schedule of meetings was fixed by November 2020.

During the year ended 31 December 2021, the Board Members remain committed and dedicated in fulfilling their duties and responsibilities and this is reflected via their attendance at each meetings as listed below:

2021 MEETING CALENDAR		BOD	ACM	TC	RGC	NRC	IC	MAC
NON-INDEPENDENT NON-EXECUTIVE DIRECTORS								
1.	Tan Sri Dr. Ali Bin Hamsa (a)	5/5						
2.	Prof Dato' Dr Azizi Bin Hj Omar	9/9	3/3		3/3	7/7		4/4
3.	Dato' Dr Ngun Kok Weng (b)	3/3	3/3		3/3			4/4
4.	Dato' Dr Sivamohan a/l	3/3		6/6	3/3			4/4
5.	S. Namasivayam (c)							
6.	Rozaini Bin Mohd Sani	9/9	3/3	12/12				
7.	Shamsul Anuar Bin Abdul Majid	9/9				7/7	6/6	
8.	Annie Binti Rosle (d)	5/5		6/6			4/4	
INDEPENDENT NON-EXECUTIVE DIRECTORS								
9.	Dato' Yusli Bin Mohamed Yusoff (e)	9/9				2/2		
10.	Christina Foo (f)	3/3	3/3			4/4	2/2	
11.	Datuk Mohd Radzif Bin Mohd Yunus (g)	3/3		6/6		4/4	2/2	
12.	Mohamed Ridza Bin Mohamed Abdulla	9/9			6/6	7/7	6/6	
13.	Dato' Mohd Redza Shah Bin Abdul Wahid	9/9	6/6	11/12			6/6	
14.	Khairuddin Bin Jaflus	9/9	6/6	12/12	6/6			
15.	Hisham Bin Zainal Mokhtar (h)	5/5	3/3			2/2	4/4	
16.	Lydia Anne Abraham (i)	4/5	3/3	5/6	3/3			
EXECUTIVE DIRECTOR								
17.	Ahmad Shahizam Bin Mohd Shariff – Managing Director	9/9						4/4
Total number of meetings		9	6	12	6	7	6	4
		 Chairman						
Note :		a) Appointment as Chairman w.e.f 23.6 2021 b) Resignation as BOD member w.e.f 23.6 2021 c) Resignation as BOD member w.e.f 23.6.2021 d) Appointment as BOD member w.e.f 23.6.2021 e) Re-designation from Chairman Senior NINED w.e.f 23.6.2021 f) Retirement from BOD member w.e.f 22.6.2021 g) Retirement from BOD member w.e.f 22.6.2021 h) Appointment as BOD member w.e.f 23.6.2021 i) Appointment as BOD member w.e.f 23.6.2021						
Explanation for departure	:							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>								
Measure	:							

Timeframe	:		
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Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman of the Board are stated in paragraph 4.9.5 of the Board Charter ("BC") , which is available on KPJ's corporate website at: https://kpi.listedcompany.com/corporate_governance.html</p> <p>Some of the specific responsibilities of the Chairman include :</p> <ul style="list-style-type: none"> • Providing leadership for the Board and sets the tone from the top for overall Board and individual Director's performance and effectiveness • In consultation with Company Secretaries, Chairman sets the Board meeting schedule and agenda • Ensures that Board is properly briefed on issues arising in the meeting with accurate, clear, complete information in a timely manner • Promotes effective relationship and open communication, encourages constructive debates during Board meetings • Encourages effective communication with stakeholders so that every Director will understand stakeholders' views • Establishes good corporate governance practices and procedures • Sets the tone and promotes the highest standard of integrity, compliance and governance at the Board level and throughout the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman of the Board and the President & Managing Director (PMD), as well as the 9 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 BC which indicates clear segregation to ensure balance of power and authority as below:</p> <p>Board Leadership</p> <p>The Group complies with the requirement to have the position of the Chairman and President & Managing Director held by two separate individuals.</p> <p>Chairman of KPJ's Board is Datuk Md Arif Mahmood (Non Independent Non-Executive Director) 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. He has never held the position of President & Managing Director of the company.</p> <p>The President & Managing Director of the company is Dato' Mohd Shukrie Mohd Salleh, who was appointed on 1 April 2022. He is responsible for leading the Management in executing broad policies, strategies and action plans approved by the Board. His role requires regular engagement with the Board to report and discuss the Group's business performance and developments, including strategic and sustainability matters.</p>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Company is not a member of any Board Committee, i.e. neither the Audit Committee ("AC") nor the Nomination & Remuneration Committee ("NRC") of KPJ Healthcare. Board Committees have written Terms of Reference (TOR) which outline their authority and duties. These TOR are disclosed on the company's website at: https://kpi.listedcompany.com/corporate_governance.html
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>Two Company Secretaries (“CoSec”) are appointed by the Board and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 (CA). Ms. Teh Peng Peng was appointed as a Joint Company Secretary on 26 November 2021, while Puan Hana Binti Ab Rahim@Ali was appointed as a Joint Company Secretary of KPJ Healthcare effective from 1 February 2013.</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 legislations. 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 committee meetings and to ensure the deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to the Management for appropriate actions. The Company Secretaries facilitate the orientation of new Directors and assist in director training and development. The orientation programme for new Directors was done on 12 July 2021. They also manage processes pertaining to the annual shareholder 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 MAICSA for practising company secretaries. Trainings attended by CoSec in 2021:</p> <p>Name: Teh Peng Peng</p> <table border="1" data-bbox="560 510 1401 1106"> <thead> <tr> <th>No</th> <th>Courses/Workshop</th> <th>Date</th> <th>Organiser</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Webinar – Seminar on Guidelines for Reporting Framework for Beneficial Ownership of Legal Person in Malaysia</td> <td>7/12/2021</td> <td>SSM</td> </tr> <tr> <td>2.</td> <td>Webinar Series: ESG and Sustainability Reporting</td> <td>2/12/2021</td> <td>MAICSA</td> </tr> <tr> <td>3.</td> <td>Webinar – Case Discussion: Post Section 17A Malaysian Anti-Corruption Commission (MACC) Implementation</td> <td>6/10/2021</td> <td>SIDC</td> </tr> <tr> <td>4.</td> <td>Webinar – SSM National Conference 2021 on Governing Under New Normal</td> <td>24/8/2021</td> <td>SSM</td> </tr> <tr> <td>5.</td> <td>Webinar – Implementing Amendments in the Malaysian Code on Corporate Governance (MCCG)</td> <td>1/6/2021</td> <td>Asia School of Business</td> </tr> </tbody> </table> <p>Name: Hana Ab Rahim @ Ali</p> <table border="1" data-bbox="560 1178 1401 1572"> <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 2021: The New Norm: Managing Disruption - Resilience and Recovery</td> <td>06.10.2021 & 07.10.2021</td> <td>MAICSA</td> </tr> <tr> <td>2.</td> <td>Violations of the Companies Act 2016: Oversights by Directors and Secretaries</td> <td>17.11.2021</td> <td>MAICSA</td> </tr> <tr> <td>3.</td> <td>MAICSA Annual Conference 2021: The New Norm: Managing Disruption - Resilience and Recovery</td> <td>06.10.2021 & 07.10.2021</td> <td>MAICSA</td> </tr> </tbody> </table>	No	Courses/Workshop	Date	Organiser	1.	Webinar – Seminar on Guidelines for Reporting Framework for Beneficial Ownership of Legal Person in Malaysia	7/12/2021	SSM	2.	Webinar Series: ESG and Sustainability Reporting	2/12/2021	MAICSA	3.	Webinar – Case Discussion: Post Section 17A Malaysian Anti-Corruption Commission (MACC) Implementation	6/10/2021	SIDC	4.	Webinar – SSM National Conference 2021 on Governing Under New Normal	24/8/2021	SSM	5.	Webinar – Implementing Amendments in the Malaysian Code on Corporate Governance (MCCG)	1/6/2021	Asia School of Business	No	Courses/Workshop	Date	Organiser	1.	MAICSA Annual Conference 2021: The New Norm: Managing Disruption - Resilience and Recovery	06.10.2021 & 07.10.2021	MAICSA	2.	Violations of the Companies Act 2016: Oversights by Directors and Secretaries	17.11.2021	MAICSA	3.	MAICSA Annual Conference 2021: The New Norm: Managing Disruption - Resilience and Recovery	06.10.2021 & 07.10.2021	MAICSA
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Intended Outcome

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

Practice 1.6

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

Application	: Applied
Explanation on application of the practice	<p>The 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 2021 the schedule of meetings were fixed in December 2020.</p> <p>Prior to each Board meeting, the Notice of the Board Meeting and Board Report ("BR") will be circulated 5 days before the meeting, to all Directors so that each Director has ample time to peruse and review BR for further deliberation at the Board meeting.</p> <p>In line with KPJ's Sustainability initiatives which encourage a green environment for all the Board committee meetings, the Directors will be able to access the BR/meeting materials via Convene (a secure, efficient, and user-friendly mobile app where access to board papers and documents can be obtained securely on the Board members' mobile devices) instead of hard copy distributions before the meeting.</p> <p>The Board Report includes among others, the following details:</p> <ul style="list-style-type: none">• Minutes of meeting of all Committees of the Board;• Any matters arising from previous meetings;• Business strategies and corporate proposals;• Review of operational matters and financial report of the Group and quarterly financial report• Review of clinical and professional services report;• Approval sought for capital expenditure and expansion project reports;• Reports on Audit Committee and Risk Management matters; and• Report of the Registrar. <p>There is also a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets; acquisition and disposal of assets that are material to the Group; major investments; changes to management and control structure of the Group, including key policies, procedures and authority limits.</p> <p>The Board is fully aware of its duties and responsibilities with regards 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</p>

	<p>Company Secretaries. All minutes will be confirmed prior to the meeting.</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 take independent advice at the Group's expense, in furtherance of their duties and responsibilities.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The BC was adopted in 2014 that has set out the key values, principles and ethos of the company, as policies and strategy development are based on these considerations. The BC has set out the roles, functions, compositions and proceedings of the Board. The BC provides guidance and captures good governance and compliance practices for the Board members.</p> <p>The BC is published on KPJ's corporate website and reviewed every three years or when the need arises, to allow for updates or changes in regulations and best practices. The last review was in January 2019.</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 BC. The key matters reserved for the Board's approval are:</p> <ul style="list-style-type: none">• Approval of corporate plans and programmes;• Approval of annual budgets, including major capital commitments; Approval of new ventures;• Approval of material acquisitions and disposals of undertakings and properties; and• Changes to the management and control structure within the Company and its subsidiaries including key policies, delegated authority limit. <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 MMLR. It regularly assesses the training needs of its Directors to ensure that they are updated with the latest requirements. The Company Secretary will assist to schedule dates for training of Directors whether in a group or on an ad-hoc basis.</p>

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

No.	Director	Training Title (2021)	Date
1	Mohamed Ridza Bin Mohamed Abdulla	Global Series	7 Dec 2020
		Board Retreat of Sime Darby Property Berhad – Transforming through the Crisis	5 Jan 2021
		Public Programme 2021	18 Jan 2021
		How to be an Effective Non-Executive Directors in a Disruptive World (by ICDM)	18 Jan 2021
		Webinar on Managing Strategic Risk in Remote Working Environment – An Insight for Finance Leaders (by MIA)	3 Feb 2021
		Directors Briefing – Introduction to Artificial Intelligent (BIMB)	8 Feb 2021
		Director’s Briefing – Fintech Opportunities (BIMB)	15 Feb 2021
		Director’s Briefing – Banking as a Service Evolution of Digital Banking (BIMB)	15 Feb 2021
		Rethinking our Approach in Cyber Defence in FIS (FIDE Forum)	11 Mar 2021
		Director’s Training – Integrating Environment, Social & Corporate Governance Into Banking Business (BIMB Holding Berhad)	16 Mar 2021
		Director’s Training: Duties and Responsibilities of Directors of a Listed Companies (BIMB Holdings Berhad)	16 Mar 2021
		Director’s Training – Emerging Risk Trends & Integrated Risk Management (PwC)	3 May 2021
		FCD Module B: Stakeholder Primacy in Post-Covid Era (Sime Darby)	9 June 2021
		Cambridge Institute for Sustainability Leadership Programme (BIMB Holdings Berhad)	14 July 2021
		Webinar – Smart Home Automation in a Post-Pandemic Era (REHDA)	30 Sept 2021
		Webinar on Executing Business Transformation For Sustainable Performance	17 Aug 2021
		Training Programme – Related Party Transaction (MICG)	13 & 14 Oct 2021
2	Khairuddin Bin Jafus	Public Programme	7 Dec 2020
		FCD Module A: Strategy & Risk Management Oversight	7 & 8 Sept 2021
3	Dato’ Mohd Redza Shah Bin Abdul Wahid	Kuala Lumpur Islamic Finance Forum 2021 (KLIFF 2021)- Global Islamic Capital Market Outlook	9 Mar 2021
		Shariah Audit Best Practice Guide: Islamic Cooperatives & Ar-Rahnu Roundtable Discussion	24 May 2021
		MIA Conference 2021	9 Jun 2021

		Wacana Al Quran – Membangun Sinergi Waqaf	30 Jul 2021
		Deloitte Audit Seminar	17 Nov 2021
4	Hisham Bin Zainal Mokhtar	TM Deloitte TMT Predictions 2021 & Enterprise Solutions	27 Apr 2021
		Knowledge Sharing Session: Beyond Great	28 Apr 2021
		Knowledge Sharing Session: Winning the B2B Digital Domain	24 May 2021
		Next generation Reinvention for Telecoms Operators	24 Jun 2021
		Propelling TM's B2B Digital Services Growth	22 July 2021
		Mobile World Congress 2021	28 July 2021
		TM Board Strategy Retreat (I) – Organic & Inorganic Transformation	5 & 6 Aug 2021
		TM Board Strategy Retreat (II) – 2022 – 2024 Commitments	11 & 12 Oct 2021
		Living Customer Centricity	25 Nov 2021
5	Rozaini Bin Mohd Sani	Digital Transformation Program	7 Mac 2021
		JCorp Digital Transformation	17 Mac 2021
		Sustainable & Growth Engine for North Johor	11 Apr 2021
		Basic Training for Management	18 Aug 2021
		Notion Training Workshop	15 Sept 2021
6	Shamsul Anuar Bin Abdul Majid	Global Health Transformation Roundtable (Asia-Pacific)	4 Feb 2021
		Exclusive Talks on Anti-Bribery Management Systems (ABMS) ISO 37001:2016 & Corporate Liability Section 17 (A)	30 Mar 2021
		Virtual Business Dialogue on Indonesia New Economic Paradigm: Investment Opportunities in Special Economic Zones	24 Sept 2021
7	Lydia Anne Abraham	Directors Development Program: Institute of Corporate directors Malaysia (ICDM)	20-22 Apr 2021
		Board Room Limited: Board of Directors 101 Series	13-15 Jul 2021
		Global Woman On Board (GWOB): Main Board Simulation	30 Sept 2021
		Board Culture and Dynamics Assessment for Dutch Lady Malaysia	26-28 Oct 2021
		Revised Malaysian Code on Corporate Governance (MCCG) by Tricor Hive Sdn Bhd.	25 Oct 2021
8	Annie Binti Rosle	Directorship Programme	24 & 25 Mac 2021
		Performance - Management	1 Apr & 1 May 2021
		Mandatory Accreditation Program – KPJ	6 – 8 Dec 2021
9	Prof Dato' Dr Azizi Bin Haji Omar	Paediatric Congress	26 – 28 Nov 2021
		Malaysian Thoracic Society Congress	2 – 5 Dec 2021

	10	Christina Foo	PTS 2021	12 Aug 2021
			Digital Disruptions – Winning Strategies for Legacy Companies	18 Aug 2021
			Masterclass – The Effective Board: 3 Integral Components Required for Board Effectiveness & Efficiency by Patrick Dunne	2 Sept 2021
			ICDM Digital Series Programme: Cyber threats – What Board Should Know by Ho Siew Kei	2 Sept 2021
			ICDM Digital Series for Boards – Data Adoption and AI to Drive Better Business Decisions	28 Oct 2021
			ICDM Digital Series for Boards – Data Privacy Comprehensibility & Trust – How Do We Fare?	1 Dec 2021
	11	Datuk Mohd Radzif Yunus	PTS 2021	12 Aug 2021
12	Dato Dr Ngun Kok Weng	Public Programme	7 Dec 2020	
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>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 BC, 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 President & Managing Director in ensuring the smooth running of the Group's business and operations. The Board Charter is available on the Company's website at: https://kpj.listedcompany.com/misc/board_charter.pdf</p> <p>Among key aspects of the Charter are as follows:</p> <ul style="list-style-type: none">• 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.• 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">– Avoid placing own interest or any third-party interest above the Company;– Do not engage in any outside business that would directly or indirectly materially adversely affect the Company;– Do not abuse board membership by improperly using board membership for personal or third-party benefit;

- 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’ 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://kpi.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

- A dedicated Integrity Unit (IU) continued to spearhead integrity-focused initiatives. Formed with Board approval in February 2020, the GIU is headed by a Chief Integrity Officer (CIO), as part of preparations to meet the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The GIU's primary roles are to :
 - i. 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.
 - ii. 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.
 - iii. Advise the management and staff of the group on matters or queries related to integrity matter
- In 2021, IU’s focus areas were on the following :
 - i. Adoption of the ABMS SOP group wide in January 2021.
 - ii. GIU conducted a series of awareness training sessions on ABMS and the related standard operating procedures (SOPs) throughout the year 2021. As at December 2021, IU recorded 95% of total implementation targets for KPJ Group

	<p>of hospitals/companies</p> <p>iii. Integrity Ambassadors were appointed at all the Group’s companies to assist the IU in instilling and promoting ethical values among the Group’s employees.</p> <p><u>Anti-Bribery Management System (ABMS) Policy</u></p> <p>a) On 23 October 2020, KPJ attained the ISO 37001:2016 ABMS certification for a period of three years, providing a stronger 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] that was enforced on 1 June 2020).</p> <p>b) The ABMS policy is available at KPJ’s Corporate Governance section of the website: https://kpj.listedcompany.com/corporate_governance.html</p> <p><u>The Malaysian Code Corporate Governance</u></p> <ul style="list-style-type: none"> • The company is guided by the Practices and Step-Ups in the MCCG, issued by Bursa Malaysia. • 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 https://kpj.listedcompany.com/corporate_governance.html <p><u>Internal Control Process</u></p> <ul style="list-style-type: none"> • Gift, Entertainment and Corporate Hospitality Policy and “Asset Declaration” Policy, 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. • Integrity Pact: 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. • Whistle-Blowing Policy that outlines the Group's commitment to promote the highest standards of governance, ethics and integrity in all aspects of business dealings.
<p>Explanation for departure</p>	<p>:</p>

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	KPJ has in place a comprehensive Policy of Whistle-Blowing that outlines the Group's commitment to promote the highest standards of governance, ethics and integrity in all aspects of business dealings. The Policy covers, inter-alia, 3 tiers of whistle-blowing reporting line, comprising of the Managing Director, the Chairman of the Risk and Governance Committee and the Chairman of the Board, to facilitate whistle-blowing activities according to different possible circumstances. A dedicated whistleblowing channel is available at integrity@kpjhealth.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and management continue to make sustainability a key priority – in line with the MCCG's guidelines and expectations.</p> <p>In November 2021, KPJ established the Centre of Innovation and Sustainability, under the purview of the Transformation Management Office ("TMO"), to oversee matters related to Environmental, Social, and Corporate Governance. In addition, the management also set up a Sustainability Working Committee ("SWC") under the purview of the TMO, as part of KPJ's overall transformation plan. SWC comprises of compliance-related services at the Head Office as well as other operations-centred services.</p> <p>In March 2022, with approval from the Board, KPJ appointed PwC Malaysia as a Sustainability Consultant, advising on Sustainability and Climate Risk Frameworks. Focus is defining strategies, measures, processes and initiatives for embedding ESG factors into KPJ's day-to-day operations (Enterprise-wide plans), investment decision making and networking opportunities. Recommendations will be tabled to the Board at its quarterly meetings – for feedback and approval.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>KPJ has been routinely reporting on the Group’s Sustainability activities & performance in Annual Reports since 2016 to date :</p> <p>FY2016 & FY2017: a Sustainability Statements are included in KPJ’s Annual Reports</p> <p>FY2018, FY2019, FY2020 and FY2021: standalone Sustainability Report as part of Integrated Annual Report</p> <p>These Reports are available on KPJ’s website: https://kpj.listedcompany.com/ar.html</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chief Operating Officer (COO) updates the Board on material sustainability matters (as a standing agenda item) at its quarterly meetings.</p> <p>Major Sustainability Agenda under KPJ’s 2-Phase Approach Transformation Plan (2021-2025) are:</p> <ul style="list-style-type: none"> • Brand Refresh & Marketing: 5 initiatives • Clinical &Service Quality: 5 initiatives • Digital & Technology: 6 initiatives • Business & Operational Excellence: 27 initiatives • Organisation, People & Culture: 5 initiatives • Special Projects: 13 initiatives
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>KPJ Healthcare's Balanced Scorecard (BSC), as approved by the Board, was developed based on the guiding principle to ensure alignment and effective implementation of strategies under the Group's 5 Year Strategic Plan. The key principles of the roadmap include embedding sustainability in the organisation, taking into consideration the challenges of today's rapidly evolving healthcare industry. In relation to this, specific targets have been identified for the BSC, focusing on attaining longevity and sustainability in today's market.</p> <p>The targets of Financial Perspective of BSC were to improve overall financial performance while also increasing long term shareholder value in terms of market capitalisation.</p> <p>Stakeholder Engagement encompasses KPJ's ability to improve our ability to create stakeholder interaction, fully realising our Vision of being the "Preferred Provider of Private Healthcare Services". This is supported by KPJ's enhancements in quality service, which includes the hospitals' clinical services. As part of our transformation process, we have already established a brand-new set of clinical and service quality targets along with a digital dashboard for key personnel to monitor our progress and delivery on these key performance indicators.</p> <p>Internal Process specifies KPJ's plans on operationalizing KPJ's new hospitals and businesses, as well as the hospitals' overall efficiency as private healthcare providers. Our focus is continuously striving for higher productivity, cost savings and developing more effective processes.</p> <p>Organisational Capacity highlights goals in terms building a High Performance Organisation, with the bedrock being KPJ's 'Organisation, People & Culture'. As part of this broad objective, KPJ Management introduced, with effect from 1 February 2021, a new organisational structure with the aim of enhancing coordination of Group operations and brand positioning, utilising the hub and spoke model.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.5- 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>	
Application	: Adopted
Explanation on adoption of the practice	: <p>In line with Practice 4.5 of the MCCG, KPJ Management has put in place a focussed strategy, with the aim of strengthening KPJ's capabilities and capacity in managing sustainability matters within the organisation.</p> <p>With this objective, in November 2021, KPJ established Centre of Innovation and Sustainability, under the purview of the Transformation Management Office ("TMO"), to oversee matters related to Environmental, Social, and Governance ("ESG"). An experienced external candidate, Pn Idora Baharudin was recruited on 1 November 2021 to head the Centre of Innovation and Sustainability, to lead KPJ ESG agenda.</p> <p>Pn. Idora was tasked to oversee the implementation of transformational changes to products, services, and/or processes to generate long-term social and environmental benefits while creating economic profits for KPJ. This includes the reporting and voluntary disclosure of the ESG efforts with support and commitment from C-Suite and Chief Executive Officers of Group Hospitals and Companies.</p> <p>In addition, KPJ also formed a Sustainability Working Committee ("SWC"), as part of KPJ's overall transformation plan. The SWC is tasked with the role to steer and oversee the overall implementation of sustainability strategies, policies and management processes, including the updated ESG requirements and adoption of sustainability best practices.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>In relation to that the Company has in place a formal and transparent procedure on the recruitment and appointment (including re-election/reappointment) of Directors. KPJ's Nomination & Remuneration Committee (NRC), has the following prerogatives as stated in the BC as follows:</p> <p>Appointment and Re-election</p> <ul style="list-style-type: none"> • The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the NRC. In 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. • The Constitution of the Company provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting ("AGM"). One third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors shall submit themselves for re-election at least once every three (3) years. <p>With regards to the appointment of new directors, 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 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>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The present composition of independent directors is 45.5%. KPJ has a total of 5 Independent Non-Executive Directors (INEDs). Nevertheless KPJ complied with MMLR requirement of at least 1/3 of Board composition comprise of INED.</p> <p>The present size and composition is made up of professionals with a wide range of knowledge and experience in business, operations and finance, 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 Board Profile section of the Integrated Report on pages from 108 to 120 entitled 'Who Governs Us'.</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 medical, 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 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>

	NRC will evaluate the composition of the present Board in the next review.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	NRC will evaluate the composition of the present Board in the next review.
Timeframe	:	Within 2 years

Intended Outcome

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

Practice 5.3

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

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

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

Intended Outcome

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>	
Application	: Adopted
Explanation on adoption of the practice	: Since 2017, KPJ has put in place the 9-year Directorship tenure as stipulated by paragraph 4.5 of the BC which states that "The tenure of an independent director does not exceed a cumulative term limit of nine years". Particulars of INED who have served the Board for less than 9 years, including their lengths of services are set out in the Directors' profile in the KPJ Website at: https://kpj.listedcompany.com/directors.html In summary, 2 INEDs have served for less than 1 year while 3 INEDs have served between 1 to 2 years.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied																																																							
Explanation on application of the practice	:	<p>The 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 details of the Board members' qualification, expertise and experience can be found at the Board Profile section of this Annual Report on pages from 108 to 120.</p> <p>The present Board composition and diversity are as follows:</p> <table border="1"> <tr> <td>Age profile</td> <td>46-50</td> <td>51-55</td> <td>56-60</td> <td>61-65</td> <td>66-70</td> <td>>70</td> </tr> <tr> <td>No. of Directors</td> <td>2 (19%)</td> <td>3 (27%)</td> <td>3 (27%)</td> <td>1 (9%)</td> <td>1 (9%)</td> <td>1 (9%)</td> </tr> </table> <table border="1"> <tr> <td>Gender profile</td> <td>Male</td> <td>Female</td> </tr> <tr> <td>No. of Directors</td> <td>9 (82%)</td> <td>2 (18%)</td> </tr> </table> <table border="1"> <tr> <td>Racial composition</td> <td>Malay</td> <td>Chinese</td> <td>Indian</td> </tr> <tr> <td>No. of Directors</td> <td>10 (91%)</td> <td>0</td> <td>1 (9%)</td> </tr> </table> <p>BOARD SKILL & EXPERIENCE:</p> <table border="1"> <thead> <tr> <th>Skill & Experience</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Accounting/Finance/Audit/Banking/Investment</td> <td>9</td> <td>82</td> </tr> <tr> <td>International Business/Strategy and Development/ Merger and Acquisition/Property Management</td> <td>5</td> <td>45</td> </tr> <tr> <td>Mathematics/Statistics/Economics</td> <td>5</td> <td>45</td> </tr> <tr> <td>Business Administration/Human Resource/ Transformation</td> <td>5</td> <td>45</td> </tr> <tr> <td>Legal/Regulatory/Risk/Corporate Governance</td> <td>3</td> <td>27</td> </tr> <tr> <td>Specialist Consultants</td> <td>1</td> <td>9</td> </tr> <tr> <td>Corporate CEO/Managing Director/Executive Director/Chief Financial Officer</td> <td>6</td> <td>55</td> </tr> <tr> <td>Education/Research and Development/Technology</td> <td>3</td> <td>27</td> </tr> </tbody> </table>	Age profile	46-50	51-55	56-60	61-65	66-70	>70	No. of Directors	2 (19%)	3 (27%)	3 (27%)	1 (9%)	1 (9%)	1 (9%)	Gender profile	Male	Female	No. of Directors	9 (82%)	2 (18%)	Racial composition	Malay	Chinese	Indian	No. of Directors	10 (91%)	0	1 (9%)	Skill & Experience	No.	%	Accounting/Finance/Audit/Banking/Investment	9	82	International Business/Strategy and Development/ Merger and Acquisition/Property Management	5	45	Mathematics/Statistics/Economics	5	45	Business Administration/Human Resource/ Transformation	5	45	Legal/Regulatory/Risk/Corporate Governance	3	27	Specialist Consultants	1	9	Corporate CEO/Managing Director/Executive Director/Chief Financial Officer	6	55	Education/Research and Development/Technology	3	27
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	<p>Effective 1 February 2021, the Board has approved a new group Senior Management structure, reorganised to establish greater management accountability and enhance empowerment at all levels of management. The 6 members of the KPJ Senior Management Team, together with the 6 Regional CEOs, will form the newly established KPJ Group Management Committee (KGMC).</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 as follows:</p> <table border="1" data-bbox="560 584 1406 685"> <thead> <tr> <th>Age profile</th> <th>41-45</th> <th>46-50</th> <th>51-55</th> <th>56-60</th> </tr> </thead> <tbody> <tr> <td>No. KGMC</td> <td>1 (8%)</td> <td>1 (8%)</td> <td>6 (50%)</td> <td>4 (34%)</td> </tr> </tbody> </table> <table border="1" data-bbox="560 725 1406 792"> <thead> <tr> <th>Gender profile</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>No. KGMC</td> <td>8 (67%)</td> <td>4 (33%)</td> </tr> </tbody> </table> <table border="1" data-bbox="560 833 1406 900"> <thead> <tr> <th>Racial Composition</th> <th>Malay</th> <th>Chinese</th> <th>Indian</th> </tr> </thead> <tbody> <tr> <td>No. KGMC</td> <td>11 (92%)</td> <td>0</td> <td>1 (8%)</td> </tr> </tbody> </table> <p>KGMC SKILL & EXPERIENCE:</p> <table border="1" data-bbox="560 976 1406 1133"> <thead> <tr> <th>Skill & Experience</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Accounting/ Finance /Audit / Banking</td> <td>9</td> <td>75</td> </tr> <tr> <td>Business Administration / Human Resource</td> <td>7</td> <td>58</td> </tr> <tr> <td>Corporate CEO / Managing Director</td> <td>7</td> <td>58</td> </tr> <tr> <td>Healthcare / Clinical (Operations)</td> <td>10</td> <td>83</td> </tr> </tbody> </table>	Age profile	41-45	46-50	51-55	56-60	No. KGMC	1 (8%)	1 (8%)	6 (50%)	4 (34%)	Gender profile	Male	Female	No. KGMC	8 (67%)	4 (33%)	Racial Composition	Malay	Chinese	Indian	No. KGMC	11 (92%)	0	1 (8%)	Skill & Experience	No.	%	Accounting/ Finance /Audit / Banking	9	75	Business Administration / Human Resource	7	58	Corporate CEO / Managing Director	7	58	Healthcare / Clinical (Operations)	10	83
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Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a formal and transparent procedure on the recruitment and appointment (including re-election/reappointment) of Directors. 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 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>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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	For existing Board members' re-appointments, the profiles of the said Directors would be available in KPJ's latest Integrated Annual Report. Further, any nominations for new Directors to the Board are reviewed by the NRC and presented to the Board for approval. The Company Secretaries will ensure that all appointments are properly made and that statutory requirements are met.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

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

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	There are presently 2 women directors out of the 11 Board members (18% composition). Both these directors joined KPJ in June 2021.	
		NRC will address the departure in the next review cycle of directors' appointments and retirements.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	NRC will address the departure in the next review cycle of directors' appointments and retirements.	
Timeframe	:	Within 2 years	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>KPJ has established the Policy on Diversity and Inclusion and has been published in KPJ's Sustainability Report since 2018 (Social: Materiality People – Diversity).</p> <p>The Policy highlights how the organization recognizes and respect qualities which are unique to individuals e.g. one's gender, language, ethnicity, age, religion, disability and other areas of potential difference. It supports and ensures a diverse work environment in which everyone is treated fairly and with respect, in order to achieve :</p> <ul style="list-style-type: none"> i. Attract, retain and motivate employees from the widest possible talent pool ii. Foster a culture that reflects our values of customer focus, accountability, integrity, respect and open to all iii. Improve innovation, creativity and inspire critical thinking as well as higher performance iv. Strengthen connection between KPJ and the communities we serve
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>Board Committee, the Nomination & Remuneration Committee (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, Board Effectiveness 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. The process also includes a peer review in which Directors assess their fellow Directors’ performance against set criteria, including the skills they bring to the Group and the contribution they make. The Company Secretary reports the outcome of the evaluation exercise to the NRC and then to the Board for notation.</p> <p>In 2021, the NRC considered, deliberated on and made recommendations on the proposals by KPMG Management & Risk Consulting Sdn Bhd, independent advisers engaged by the Company, to undertake a Board review in areas relating to training needs analysis, a Board effectiveness evaluation manual, and a review of non-executive directors’ remuneration.</p>

	<p>In relation to that, the BEE for year 2021 will be carried out in 2022 or early 2023, as the NRC takes into consideration the changes in Board composition in 2021, where there was the appointment of 4 new Directors who were appointed on 23 June 2021, namely :</p> <ul style="list-style-type: none"> • Tan Sri Ali Hamsa (Board Chairman) • Hisham Bin Zainal Mokhtar • Lydia Anne Abraham • Annie Binti Rosle <p>In addition, there have also been changes in KPJ's Chairman and President & Managing Director, in early 2022. Further evaluation of the Board, therefore, will need to re-table to the Chairman for consideration.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<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>a) Remuneration for Board of Directors: The Board Remuneration Policy governing the remuneration of directors is reviewed on an annual basis by the Board through the Nomination & Remuneration Committee (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>Details of the Board Remuneration Policy is detailed in the BC, paragraph 7.</p> <p>Directors' Remuneration</p> <ul style="list-style-type: none">• Through the NRC, the Board has established formal and transparent remuneration policies and procedures 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.• The Company's remuneration scheme for a President & Managing Director, Executive Director and key senior management is designed to be commensurate with the performance, seniority, experience and scope of responsibilities of the appointments and is benchmarked to market/industry standards.• For NEDs, the level of remuneration reflects the level of responsibilities undertaken by them.

	<ul style="list-style-type: none"> The Board is of the view that it is just and equitable for the NED to be paid the Directors' Remuneration (excluding Directors' fees) on a monthly/quarterly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period. Details of the estimated Directors' can be found in the Remuneration Policy. <p>KPJ also complies with Section 230(1) of the Companies Act ("CA") 2016 which provides, amongst others, that the directors' fees and other benefits shall be presented to the shareholders for approval at the Annual General Meeting.</p> <p>Further details are in Practice 7.2.</p> <p>b) <u>President & Managing Director:</u> 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>c) <u>Senior Management:</u> 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 providing 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>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.2

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board has established the NRC with formal and transparent process for evaluating and approving the remuneration of the Board members and key senior management of the Group. The composition of the NRC complies with the requirements of Paragraph 15.08A of the MMLR.</p> <p>The TOR of NRC is made available to the public on the Group website at http://kpj.listedcompany.com/nomination_committee.html</p> <p>The Board believes that the current and previous composition of NRC is capable of acting collectively in the best interests of all shareholders in respect of the nomination & remuneration of Board members and key senior management.</p> <p>As required by Section 230(1) of the Companies Act ("CA") 2016 that stipulates - among others - that the directors' fees and other benefits shall be presented to the shareholders for approval at the General Meeting:-</p> <p>Ordinary Resolution 8: To ratify the payment of Fees of up to RM800,000 for the Non-Executive Directors ("NEDs") from 1 January 2022 until the conclusion of the 29th AGM of the Company.</p> <p>Ordinary Resolution 9: To approve the payment of Fees of up to RM1,600,000 for the NEDs from the conclusion of the 29th AGM until the conclusion of the next AGM of the Company.</p> <p>Ordinary Resolution 10: To approve the payment of Other Remuneration comprising Committee Fees, Committee Allowances and Meeting Allowances of up to RM1,800,000 for the NEDs from the conclusion of the 29th AGM until the conclusion of the next AGM of the Company.</p>

At the previous year's AGM, shareholders' mandate was for the payment of Directors' Fees for the financial year ended 31 December 2021, while the payment of Other Directors' Remuneration comprising Committee Fees and Meeting Allowances, was mandated for the period 23 June 2021 until the conclusion of the next AGM of the Company for the year 2022.

To streamline the period covered under the shareholders' mandates for the payment of Directors' Fees and Other Directors' Remuneration, the shareholders' mandates sought at the forthcoming 29th AGM for the payment of Directors' Fees are broken down to cover the period 1 January 2022 until the conclusion of the 29th AGM (as per proposed Ordinary Resolution 8), and the Relevant Period (as per the proposed Ordinary Resolution 9).

The shareholders' mandate sought for the payment of Directors' Fees for the Relevant Period will allow the payment of Directors' Fees for the months of January 2023 until the next AGM in 2023 on a monthly/quarterly basis, without needing a shareholders' ratification, or without holding payment until after obtaining the shareholders' mandate at the next AGM in 2023.

The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' Fees and Other Directors' Remuneration, or be given/allowed the Benefits on a monthly/quarterly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

In the event the Directors' Fees, Other Directors' Remuneration and Benefits proposed are insufficient (e.g. due to more meetings or enlarged Board/Committee size), shareholders' mandate will be sought at the next AGM for additional remuneration to meet the shortfall.

The Directors' Fees, as well as the Other Directors' Remuneration comprising Committee Fees, Committee Allowances and Meeting Allowances for NEDs, are estimated based on the rates below. There are no changes to the rates as compared with those of the previous year's.

Directors' Fees

	2022 (RM per annum)	2021 (RM per annum)
Non-Executive Chairman	220,000	220,000
NED	120,000	120,000

NOTE:

- i. The payment of the Directors' fees for nominee directors representing Johor Corporation will be paid to Johor Corporation as Corporate Fee.
- ii. 50% of the payment of the Directors' fees for nominee director representing EPF will be paid to EPF

Committee Fees

Committee Fees	Chairman (RM per annum)	NED (RM per annum)
Audit Committee	35,000	25,000
Nomination and Remuneration Committee	20,000	15,000
Tender Committee	20,000	15,000
Risk and Governance Committee	20,000	15,000
Investment Committee	20,000	15,000
Medical Advisory Committee	20,000	15,000

NOTE:

- i. The payment of the Committee Fee for nominee directors representing Johor Corporation will be paid to Johor Corporation as Corporate Fee.*
- ii. 50% of the payment of the Directors' fees for nominee director representing EPF will be paid to EPF*
- iii. The payment of the Committee Fee are extended to all Directors in the Committees except for the Managing Director of the Company*

Committee Allowances

Committee Fees	Chairman of Committee (RM per month)	Member of Committee (RM per month)
Advisory Committee (for 6 months only)	7,700	5,300

Meeting Allowance

Meeting Allowance (per meeting)	Chairman of the Board and Board Committees (RM per meeting)	Member of the Board and Board Committees (RM per meeting)
Board of KPJ	4,000	3,000
Audit Committee	4,000	3,000
Risk and Governance Committee	3,000	2,000
Nomination and Remuneration Committee	3,000	2,000
Investment Committee	3,000	2,000
Tender Committee	3,000	2,000
Medical Advisory Committee	4,000	3,000

NOTE:

The payment of the Meeting Allowances are extended to all Directors except for the Managing Director of the Company

Ordinary Resolution 11: To approve the Benefits payable to the NEDs from the conclusion of the 29th AGM until the conclusion of the next AGM of the Company.

		<table border="1"> <thead> <tr> <th>Benefits</th> <th>Chairman of the Board</th> <th>Member of the Board</th> </tr> </thead> <tbody> <tr> <td>Other benefits</td> <td>Medical benefits from KPJ Hospitals only, company car and driver</td> <td>Medical benefits from KPJ Hospitals only</td> </tr> </tbody> </table>		Benefits	Chairman of the Board	Member of the Board	Other benefits	Medical benefits from KPJ Hospitals only, company car and driver	Medical benefits from KPJ Hospitals only
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Explanation for departure :									
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>									
Measure :									
Timeframe :									

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<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 in the physical version as well as upload on the website at https://kpj.listedcompany.com/misc/ar2020/KPJ_IR.pdf</p> <p><u>Note (refer to BOD Remuneration table in page 57):</u> *Included are the Director' Fees and Committee Fees paid to EPF and per EPF's instruction. **Included are the Directors Fees and Committee Fees paid to Johor Corporation as Corporate Fees.</p> <p>(a) <i>Appointed as the Chairman on 23.6.2021</i> (b) <i>Appointed as a BOD member on 23.06.2021</i> (c) <i>Retired as a BOD member on 22.06.2021</i> (d) <i>Resigned as a BOD member on 23.06.2021</i> (e) <i>Re-designation from Chairman to Senior INED on 23.06.2021</i></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	Tan Sri Dr. Ali Bin Hamsa (a)	Non-Executive Non-Independent Director	114	21	-	-	-	-	135	114	21	-	-	-	-	135
2	Annie Rosle (b)	Non-Executive Non-Independent Director	*63	50	-	-	-	-	113	63	50	-	-	-	-	113
3	Rozaini Mohd Sani	Non-Executive Non-Independent Director	**120	86	-	-	-	-	206	120	86	-	-	-	-	206
4	Shamsul Anuar Abdul Majid	Non-Executive Non-Independent Director	**120	73	-	-	-	-	193	120	73	-	-	-	-	193
5	Prof Dato' Dr. Azizi Omar	Non-Executive Non-Independent Director	120	110	-	-	-	-	230	120	110	-	-	-	-	230
6	Dato' Mohd Redza Shah Abdul Wahid	Independent Director	120	146	-	-	-	-	266	120	146	-	-	-	-	266
7	Mohamed Ridza bin Mohamed Abdulla	Independent Director	120	114	-	-	-	-	234	120	114	-	-	-	-	234
8	Khairuddin Jaflus	Independent Director	120	143	-	-	-	-	263	120	143	-	-	-	-	263
9	Hisham Zainal Mokhtar (b)	Independent Director	63	71	-	-	-	-	134	63	71	-	-	-	-	134
10	Lydia Anne Abraham (b)	Independent Director	63	66	-	-	-	-	129	63	66	-	-	-	-	129
11	Ahmad Shahizam Mohd Shariff	Executive Director	-	377	1284	33	24	-	1718	-	377	1284	33	24	-	1718

12	Dato' Yusli Mohamed Yusoff (e)	Independent Director	168	47	-	-	31	-	246	168	47	-	-	31	-	246
13	Dato' Dr. Ngun Kok Weng (d)	Non-Executive Non-Independent Director	58	57	-	-	-	-	115	58	57	-	-	-	-	115
14	Dato' Dr. Sivamohan A/L S.Namasivayam (d)	Non-Executive Non-Independent Director	58	53	-	-	-	-	111	58	53	-	-	-	-	111
15	Christina Foo (c)	Independent Director	57	57	-	-	-	-	114	57	57	-	-	-	-	114
16	Datuk Mohd Radzif bin Mohd Yunus (c)	Independent Director	57	57	-	-	-	-	114	57	57	-	-	-	-	114

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board
Explanation on application of the practice	:	<p>As per the Integrated Annual Report, KPJ's top five senior management's remuneration components are made available in the Integrated Annual Report – which are available in the physical version as well as upload on the website: https://kpj.listedcompany.com/misc/ar2020/KPJ_IR.pdf</p> <p>Effective 1 February 2021, the Board approved a new Group Senior Management structure, with 6 members of the C-Suite namely :</p> <ul style="list-style-type: none"> i. Chief Operating Officer (COO) (a) ii. Chief Financial Officer (CFO) iii. Chief Corporate Officer (CCO) (b) iv. Chief Commercial Officer (CCmO) (c) v. Chief Human Resource Officer (CHRO) (d) vi. Chief Technology Officer (CTO) (e) <p><i>Note:</i> (a) Appointment as Chief Transformation Officer on 01.09.2020; Redesignated as Chief Operating Officer w.e.f 01.12.2021 (b) Appointment as Chief Corporate Officer w.e.f 01.03.2021 (c) Appointment as Chief Human Resource Officer w.e.f 12.04.2021 (d) Appointment as Chief Commercial Officer w.e.f 01.02.2022; Resigned on 05.04.2022 (e) Resignation as Chief Technology Officer w.e.f 28.02.2022</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	SURIAGHANDI A/L P. SUPPIAH (a)	Chief Operating Officer	450,001-500,000	150,001-200,000	0-50,000	0-50,000	Choose an item.	650,001-700,000
2	NORHAIZAM BINTI MOHAMMAD	Chief Financial Officer	450,001-500,000	150,001-200,000	0-50,000	0-50,000	Choose an item.	650,001-700,000
3	ARIESZA NOOR (b)	Chief Corporate Officer	350,001-400,000	150,001-200,000	Choose an item.	0-50,000	Choose an item.	550,001-600,000
4	SHATHIRAN BIN MOHD IDRUS (c)	Chief Human Resource Officer	300,001-350,000	100,001-150,000	Choose an item.	0-50,000	Choose an item.	450,001-500,000
5	NIK IZHAR BIN NIK MOHAMMED (d)	Chief Commercial Officer	450,001-500,000	150,001-200,000	0-50,000	0-50,000	Choose an item.	600,001-650,000

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the 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’ Redza was appointed as the Chairman of the AC on 23 June 2021.</p> <p>Dato’ Redza has a long career in accountancy and economics, in addition to hands-on experience in corporate directorship and strategic business management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Historically none of the present or past members of the Audit Committee were former key audit partners of any external audit firms. 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 AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee annually assessed 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 & Young (“EY”) based on the quality of audit, performance, competency and sufficiency of the resources that EY provided to the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC currently comprises 4 Independent Non-Executive Directors (INED) and 1 Non-Independent Non-Executive Director, 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 Annual 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.</p> <p>a) Dato' Mohd Redza Shah Bin Abdul Wahid: Chairman of the Audit Committee since 23 June 2021. Former CEO of a commercial bank, he is an Associate Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales.</p> <p>Dato' Redza is also the newly-appointed Chairman of the Nomination & Remuneration Committee (NRC), taking over from Allahyarham Dato' Yusli Mohamed Yusoff. Dato' Redza's date of appointment onto the NRC was 1 April 2022.</p> <p>b) Encik Khairuddin Jaflus: A member of the Audit Committee since 7 May 2020. A member of the Audit Committee since 7 May 2020, he started his career with Bank Negara Malaysia in 1978 until 1991. His has been, among the others, the Executive Vice President, Project/Head Transformation of a banking group.</p> <p>c) Encik Rozaini Bin Mohd Sani: Appointed as a member of the Audit Committee on 23 June 2021. Currently he is the Chief Financial Officer of Johor Corporation. His experience covers corporate strategy, finance, business development, marketing, business</p>

	<p>operations, stakeholder & corporate communications, human capital, legal and IT.</p> <p>d) Encik Hisham Bin Zainal Mokhtar: Appointed as an Audit Committee member on 23 June 2021. He is a Chartered Financial Analyst with more than 30 years' experience in various capacities in the capital market.</p> <p>e) Lydia Anne Abraham: Appointed as a member of the Audit Committee on 23 June 2021. A graduate in Mathematics and Computer Studies, she has over 20 years of experience in the Information Technology industry. Anne has been a strong advocate of women in senior corporate leadership positions, including as Directors.</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 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. The full details of the AC activities in 2021 are elaborated in the Audit Committee Report's section in the KPJ's Integrated Report 2021.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 pursuant to Principle B (II) of the MCCG to ensure effective oversight of controls and risks in the Group.</p> <p>In March 2019, the Group issued the 2019 KPJ Risk Management Guidelines to all its hospitals, which was formulated based on the ISO 31000:2018 Risk Management. The new Guidelines superseded the old guidelines which were based on the Australian/New Zealand Standard 4360:1999 Risk Management and HB228:2001 Guidelines for Managing Risks in Healthcare.</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. KPMG was appointed to conduct external assurance as part of the effort to enhance the roles and functions of Risk Management. All the key recommendations from KPMG have been duly implemented.</p> <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, Whistle Blowing 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 on pages 155 to 151 and the Audit Committee Report on pages 151 to 154.</p>

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

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As outlined in KPJ's Statement on Risk Management and Internal Control (SORMIC) on pages 155 to 161 of this Annual Report, there have been several measures undertaken to strengthen risk management and internal control in KPJ have been:</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"> • Risk And Governance Committee (RGC). RGC is a Board Committee chaired by an Independent Non-Executive Director of the Board. RGC 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 also reviews and evaluates the Group level risk exposures and management of significant clinical and non-clinical risks identified. • Group Medical Advisory Committee (MAC). MAC is chaired by the Senior Medical Professional. The MAC Chairman is appointed by the President and Managing Director. MAC is the apex clinical committee that is responsible for the Group's clinical governance framework and guidelines for sound and ethical medical practices. <p>There are various sub-committees under the MAC; namely Central Credentialing and Privileging Committee (CCPC), Clinical Governance Policy Committee (CGPC), Clinical Governance Action Committee (CGAC), Clinical Risk Management Committee (CRMC), Research and Quality Innovation Committee (RQIC) and Clinical and Research Ethics Review Committee (CRERC) and Research and Quality Innovation Committee.</p> <p>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</p>

	<p>governance practices that are consistent with the Board’s business direction and risk tolerance.</p> <ul style="list-style-type: none"> • 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. • Clinical Risk Management Committee (CRMC). The Chairman of the Group Clinical Risk Management Committee is a Senior Medical Professional who is appointed jointly by the Management and the Medical Advisory Committee of KPJ. CRMC is entrusted to review and oversee the effectiveness of the Group clinical governance framework. All major clinical risk incidents related to patient and staff safety are presented to CRMC. All strategic corrective and preventive measures discussed and decided by the CRMC are escalated to the MAC for its notation and endorsement. • Tender Evaluation Committee (TEC). TEC is a management committee chaired by a member of KGMC. TEC is responsible for evaluation of all tenders for all acquisitions of assets, award of contracts and appointment of project development consultants/advisors for the Group. TEC will make its appropriate recommendation to the TC. <p>The Terms of Reference (TOR) for the committees are available at https://kpj.listedcompany.com/corporate_governance.html</p> <p>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.</p> <p>The ERM framework features a risk governance structure that comprises 3 levels of defense 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.</p> <p>c) KPJ’s Risk Management Guidelines: based on ISO 31000:2018 Risk Management, and have been in place since 2019 at all hospitals. The Risk Management Guideline provides a structured and consistent approach to risk management across the Group, and are aligned with industry best practices.</p>
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	<p>d) KPJ Business Continuity Management (BCM) Framework: launched in April 2021, it facilitates a structured and scalable approach to design and execute Business Continuity Plan (BCP) as well as provides a one-stop reference to BCM concepts, expectations and deliverables to be adopted across the Group. The main objectives are to minimize disruptions and safeguard business assets. The Framework was formulated based on ISO 22301 – Business Continuity Management.</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, in 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. The project is currently underway.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group established the Risk & Sustainability Committee ("RSC") in 2018 and in May 2020, the committee changed its name to Risk & Governance Committee to enhance its oversight on Governance.</p> <p>RGC evaluates and review the assessment of risk identification, the effectiveness of Enterprise Risk Management (ERM), process of assessing and managing Group's principal risks.</p> <p>RGC also reviews and evaluate the Group level risk exposures and management of significant clinical and non-clinical risks identified.</p> <p>The RGC is made up of 3 INEDs and 1 NINED.</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.

Application	:	Applied
Explanation on application of the practice	:	<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 and 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 revised Audit Charter which was approved by the AC on 22 November 2021 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 on compliance to the Code of Ethics of the IIA in carrying out their duties. The IAS shall maintain a quality assurance and improvement programme to evaluate the conformance of internal audit activities to the International Standards for Professional Practice of Internal Auditing (Standards) issued by IIA. This includes IAS function's self-assessment and assessment by a qualified independent assessor once in five years.</p> <p>The AC is satisfied that the IA has been effective and able to discharge its duties and responsibilities in accordance with the approved Audit Plan in 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 IIA in carrying out their duties. The IAS is headed by the Head of IAS. As at 31 December 2021, there are a total of 20 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. For year 2022, one additional staff i.e. a Deputy Manager for IT Audit had been approved by the Audit Committee in view of challenging task and to assist in the implementation of the IT Audit Plan.</p> <p>The name and qualification of the Head of IAS were mentioned in the Integrated Annual Report 2021 under the Audit Committee Report section from page 151 to 154.</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> <p>Internal Audit Services' authority, scope and responsibilities are governed by its revised Audit Charter which was approved by the AC on 22 November 2021 and aligned with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA).</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>KPJ as a corporate entity emphasizes on transparency, fairness, timeliness & 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) PMD and 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 Securities Malaysia as required by the MMLR.</p> <p>b) Shareholders & corporate investors engage directly with our Board & senior management through Annual General Meeting ("AGMs"). 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 http://www.kpjhealth.com.my which shareholders and stakeholders 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</p>

	<p>concern to the Investor Relations Services which contact number and email address at http://kpj.listedcompany.com/contact.html.</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>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has adopted the 28 days prior notice to shareholders, compared to 21 days requirement under the Companies Act 2016. The Notice of AGM for 2021 was dated 21 May 2021, where the date of the AGM was 22 June 2021. Therefore, 32 days were effectively given to the shareholders.</p> <p>The notice was circulated to shareholders through :</p> <p>a) Notice in newspaper b) The Annual Report 2020 uploaded on the KPJ and Bursa websites Shareholder Notification Cards distributed via post/email to shareholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All 12 of KPJ's Directors were present at KPJ's 28th Annual General Meeting ("AGM") held on Tuesday, 22 June 2021. This includes the Chairpersons of the Board Committees then, namely :</p> <ul style="list-style-type: none">• Ms. Christina Foo – Chairman of Audit Committee• Encik Mohamed Ridza Bin Mohamed Abdulla – Chairman of Risk & Governance Committee• Datuk Mohd Radzif Bin Mohd Yunus - Chairman of Tender Committee, and the Nomination & Remuneration Committee• Dato' Mohd Redza Shah Bin Abdul Wahid - Chairman of Investment Committee <p>The President & Managing Director (PMD) presented to the shareholders the Group's 2020 Performance report, outlining key financial performance, corporate initiatives, corporate initiatives and achievements, as well as the challenges and opportunities faced throughout the 2020 Financial Year.</p> <p>The questions put forth by the Minority Shareholders Watchdog Group ("MSWG") and Employees Provident Fund ("EPF") were also presented to the shareholders present during the AGM, together with the Management's response to the issues raised. Shareholders were also given the right and opportunity to pose questions to the Board and Management during the AGM.</p> <p>In accordance with paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions in the AGM Notice were put to vote by poll, using the Remote Participation and Voting ("RPV") facility provided by Tricor Investor & 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.</p> <p>For the benefit of shareholders who did not attend the AGM, the PMD'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>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application :	Applied
Explanation on application of the practice :	<p>KPJ has leveraged on technology to carry out its Annual General Meetings (AGMs) for two consecutive years i.e. in year 2020 and year 2021. This was made necessary by the Covid-19 pandemic, resulting in stringent Standard Operating Practices (SOPs) that forbade large physical gatherings, which included general meeting.</p> <p>For both years, KPJ appointed Tricor Investor & Issuing House Sdn Bhd (“Tricor”) i.e. the largest corporate secretarial services provider in Asia located in Kuala Lumpur.</p> <p>For year 2021, KPJ’s Annual General Meeting (AGM) was completely virtual, in abidance of the Securities Commission’s (SC) Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers (Revision 9:1 June 2021), and in accordance with the announcement by the Prime Minister’s Department on 28 May 2021 regarding the implementation of a ‘total lockdown’ for 14 days beginning 1 June 2021.</p> <p>The venue for the meeting was Tricor’s Online Meeting Platform via the TIIH Online website at https://tiih.online. Resolutions were uploaded on Bursa Malaysia’s website at: https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3167969</p> <p>Shareholders participated via :</p> <p>a) Remote shareholders’ participation at the 28th AGM Shareholders exercised their right to attend, participate and vote at the meeting remotely by using the Remote Participation and Voting (“RPV”) facilities at https://tiih.online</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 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV</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 28th AGM on the process for online voting via TIIH Online.</p> <p>b) Voting in absentia Shareholders logged on with their usernames and passwords at Tricor’s TIIH Online website and participated remotely via live streaming at the 28th AGM.</p> <p>The results of the poll were duly validated by Asia Securities Sdn Bhd, the Independent Scrutineer appointed by KPJ.</p> <p>The poll results were also announced via Bursa LINK on the same day for the benefit of all shareholders. The 28th AGM Minutes were also made available on KPJ’s website.</p>	
<p>Explanation : for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>At the start of the meeting, Dato' Chairman welcomed all shareholders, corporate representatives and proxies to KPJ's 28th AGM. He informed that in view of the full Movement Control Order (MCO), the AGM was conducted in a fully virtual manner via live streaming and online remote voting as prescribed by Securities Commission Malaysia. In addition, the virtual AGM was recorded for the Company's retention.</p> <p>(1) Dato' Chairman then briefed all those participating on the following:</p> <ul style="list-style-type: none">• As a contingency plan in the event of technical glitches involving the device and connectivity of Dato' Chairman, Dato' Mohd Redza Shah Bin Abdul Wahid (Independent Non-Executive Director) would assume chairmanship of the Meeting.• In accordance with paragraph 8.29A(1) of the MMLR, all resolutions in the AGM Notice are put to vote by poll, using the Remote Participation and Voting ("RPV") facility provided by Tricor Investor & Issuing House Sdn Bhd ("Tricor").• Online voting: open from the onset, and shareholders may vote to any time up to close of the voting.• Poll Administrator : Tricor to conduct the poll for the AGM• Independent Scrutineer: ASia Securities Sdn Berhad to validate the votes cast.• Independent moderator: KPMG Management & Risk Consulting Sdn Bhd was appointed to stream questions raised by shareholders during the AGM as well as any pre-submitted questions via Tricor's registration website. <p>Dato' Chairman reiterated to shareholders of their right to ask questions and vote on the resolutions set out in the Notice of the 28th AGM dated 21 May 2021.</p>

	<p>The Company Secretary confirmed that in accordance with Rule 61.1 of the Constitution of the Company, the quorum of the AGM was present.</p> <p>The first item on the agenda was Ordinary Business i.e. to receive the Audited Financial Statements for the year ended 31 December 2020 and the Reports of the Directors and Auditors. For this item, the Chairman invited President & Managing Director, who updated on the following:</p> <ul style="list-style-type: none"> a) Overview on KPJ's milestones for 2020 b) Financial highlights for 2020 c) Operational Highlights 2020 d) KPJ's Sustainability Values i.e. Preventive Healthcare, Universal Health Coverage, Resilient Healthcare and Environmentally Sustainable Healthcare e) KPJ's ESG activities undertaken during pandemic-hit 2020 f) Awards/accolades in 2020 <p>The next segment was a presentation by the President & Managing Director on the issues raised by the Minority Shareholders Watchdog Group (MSWG).</p> <p>(2) All 12 Directors, as well as members of KPJ's senior management team as mentioned under Practice 13.2 of the MCCG were present at this 28th AGM to provide responses to questions from shareholders via the TIH online website at https://tiah.online in relation to the agenda items, both prior and during the said AGM.</p> <p>(a) Bursa Malaysia received 11 questions from shareholders, and these questions were included in the CEO's presentation slides for the shareholders' reference. The questions were read out by the appointed moderator, KPMG, and were answered by the Chairman and President & Managing Director.</p> <p>(b) To ensure effective communications with shareholders at this fully virtual AGM, the shareholders' questions were displayed onscreen for the shareholders' reference.</p> <p>Post meeting, the minutes and the President's presentation were uploaded onto KPJ's website at https://kpj.listedcompany.com/agm.html</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

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

Practice 13.5

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.

Application	:	Applied
Explanation on application of the practice	:	<p>KPJ appointed Tricor Services (Malaysia) i.e. the largest corporate secretarial services provider in Asia, to conduct the virtual AGM in 2021. This follows the success of KPJ’s first virtual AGM coordinated by Tricor in 2020.</p> <p>a) KPJ’s Chairman and President & Managing Director were able to manage the Q&A session smoothly and efficiently. Each question had been displayed on the screen as and when the Chairman, President & Managing Director and/or other respondents provided their responses to the respective questions accordingly in an orderly manner.</p> <p>b) Shareholders, corporate representatives and proxies were able to participate virtually, i.e. their right to ask questions and vote on the resolutions set out in the Notice of Meeting dated 21 May 2021. Shareholders were able to participate via remote participation via Remote Participation and Voting (“RPV”) facilities at https://tiih.online. 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>c) The poll results were verified by the scrutineers, Asia Security Sdn Bhd.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	In 2021, KPJ's AGM was on 22 June 2021, and the minutes – dated 19 July 2021 were uploaded onto KPJ Healthcare's website: https://kpi.listedcompany.com/agm.html
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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