



**IHH Healthcare Berhad**  
(Company No. 201001018208)  
(Incorporated in Malaysia)

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**BOARD CHARTER**

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| Category       | <b>Corporate Governance</b> |
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## **TABLE OF CONTENTS**

|                                                             | Page |
|-------------------------------------------------------------|------|
| 1. INTRODUCTION                                             | 4    |
| 2. OBJECTIVE                                                | 4    |
| 3. THE BOARD                                                |      |
| 3.1 Roles and Responsibilities                              | 4    |
| 3.2 Authority and Matters Reserved for the Board's Decision | 6    |
| 3.3 Composition and Board Balance                           | 7    |
| 3.4 Appointments                                            | 8    |
| 3.5 Re-election                                             | 9    |
| 3.6 Supply of Information                                   | 9    |
| 3.7 Vacancy                                                 | 9    |
| 4. MEETINGS                                                 | 10   |
| 5. CIRCULAR RESOLUTIONS                                     | 11   |
| 6. THE ROLES AND RESPONSIBILITIES OF A DIRECTOR             |      |
| 6.1 Delegation of Roles and Responsibilities                | 11   |
| 6.2 Directors' Duties                                       | 12   |
| 6.3 Directors' Liabilities                                  | 13   |
| 7. CONFLICT OF INTEREST                                     | 13   |
| 8. ROLES CHAIRMAN AND MANAGING DIRECTOR                     |      |
| 8.1 Roles of Chairman                                       | 14   |
| 8.2 Roles of Managing Director                              | 15   |
| 9. BOARD COMMITTEES                                         | 15   |
| 9.1 Audit Committee                                         | 16   |
| 9.2 Risk Management Committee                               | 17   |
| 9.3 Nomination Committee                                    | 17   |
| 9.4 Remuneration Committee                                  | 18   |
| 9.5 Steering Committee                                      | 18   |
| 10. REMUNERATION LEVELS OF DIRECTORS                        | 20   |
| 11. FINANCIAL REPORTING                                     |      |
| 11.1 Transparency                                           | 21   |
| 11.2 External Auditors                                      | 21   |
| 11.3 Internal Controls and Risk Management                  | 21   |
| 12. GENERAL MEETINGS                                        |      |
| 12.1 Annual General Meeting                                 | 22   |
| 12.2 Extraordinary General Meeting                          | 23   |
| 13. INVESTOR RELATION AND SHAREHOLDER COMMUNICATION         | 23   |
| 14. RELATIONSHIP WITH OTHER STAKEHOLDERS                    | 24   |
| 14.2 Employees                                              | 24   |
| 14.3 Environment                                            | 24   |
| 14.4 Social Responsibility                                  | 24   |
| 15. COMPANY SECRETARY                                       | 24   |
| 16. APPLICATION                                             | 25   |

**IHH HEALTHCARE BERHAD  
(901914-V)**

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| <b>BOARD CHARTER</b> |
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**Definitions**

|                          |                                                                                                                                                                                                                                                                                                                         |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AGM                      | Annual General Meeting of IHH                                                                                                                                                                                                                                                                                           |
| AC                       | Audit Committee of IHH                                                                                                                                                                                                                                                                                                  |
| Bursa Securities         | Bursa Malaysia Securities Berhad                                                                                                                                                                                                                                                                                        |
| Board                    | The Board of Directors of IHH                                                                                                                                                                                                                                                                                           |
| CA                       | Companies Act 2016                                                                                                                                                                                                                                                                                                      |
| Company or IHH           | IHH Healthcare Berhad                                                                                                                                                                                                                                                                                                   |
| Constitution             | IHH's Constitution                                                                                                                                                                                                                                                                                                      |
| Chairman                 | Chairman of the Board                                                                                                                                                                                                                                                                                                   |
| Director                 | A member of the Board                                                                                                                                                                                                                                                                                                   |
| EGM                      | Extraordinary General Meeting                                                                                                                                                                                                                                                                                           |
| ED or Executive Director | Director with executive powers and who participates in the management of IHH, excluding the MD                                                                                                                                                                                                                          |
| Group                    | IHH and its subsidiaries (based on accounting concept and as recognised in the financial statements)                                                                                                                                                                                                                    |
| Independent Director     | A Director who does not participate in the management of the Company and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company and who satisfies the criteria for "independence" set out in the MMLR |
| LOA                      | Limits of authority of IHH which set out the limits of authority of the Board, MD, ED and the Management                                                                                                                                                                                                                |
| Management               | MD, ED and senior management of IHH                                                                                                                                                                                                                                                                                     |
| MCCG                     | Malaysian Code on Corporate Governance                                                                                                                                                                                                                                                                                  |
| MD                       | Managing Director of IHH, or a person performing the functions of a managing director, by whatever name called                                                                                                                                                                                                          |
| MMLR                     | Main Market Listing Requirements of Bursa Securities                                                                                                                                                                                                                                                                    |
| Non-Independent Director | A Director who does not satisfy the criteria for "independence" set out in the MMLR                                                                                                                                                                                                                                     |
| NC                       | Nomination Committee of IHH                                                                                                                                                                                                                                                                                             |
| RC                       | Remuneration Committee of IHH                                                                                                                                                                                                                                                                                           |
| RMC                      | Risk Management Committee of IHH                                                                                                                                                                                                                                                                                        |
| SC                       | Steering Committee of IHH                                                                                                                                                                                                                                                                                               |

## **1. INTRODUCTION**

The Directors regard good corporate governance as vital to the success of the Company's business. The Directors are fully committed to ensuring that the following principles of good corporate governance are practised in all of the Company's dealings:-

- The Board shall be the focal point of the Company's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members shall act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members shall be responsible to the Company for achieving a high level of good governance.
- This Board Charter shall constitute and form an integral part of each Director's duties and responsibilities.

This Board Charter is subject to the provisions of the CA, the Constitution, the MMLR, the practices and guidance of the MCCG and any other applicable laws or regulatory requirements. It should be noted that this Board Charter serves as a reference to the Board members in executing their roles, duties and responsibilities. The provisions contained in this Board Charter neither replace nor supersede the applicable laws and regulatory requirements.

## **2. OBJECTIVE**

The objectives of this Board Charter are:

- a) to set out the Board's strategic intent, authority and terms of reference and serves as a primary reference and literature that guides the governance and conduct of the Board;
- b) to set out the respective roles and responsibilities of the Board, board committees, individual Directors and Management; and issues and decisions reserved for the Board; and
- c) to ensure that all Directors are aware of the various legislations and regulations affecting their conduct, including but not limited to, the MMLR, CA, MCCG, Constitution, Code of Ethics issued by Companies Commission of Malaysia and the Corporate Governance Guide issued by Bursa Securities, and that the practices and guidance of good corporate governance are applied in all their dealings in respect, and on behalf, of the Company.

## **3. THE BOARD**

### **3.1 Roles and Responsibilities**

- 3.1.1 The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders. The Board assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

### 3.1.2

The Board must lead and manage the Company effectively and responsibly. The Board has adopted the following corporate governance guidelines for effective discharge of its duties and responsibilities:-

- a) Governing and setting of the strategic direction for the Group. The Board is to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- b) Reviewing, challenging and deciding on Management's proposals for the Company, and monitor its implementation by Management;
- c) Overseeing the conduct of the Group's businesses, including supervising and assessing Management's performance to determine whether the business is being properly managed;
- d) Identifying the principal risks and ensuring the implementation of appropriate systems to manage these risks, including setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- e) Succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management, including ensuring that Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Management;
- f) Developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;
- g) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, and directives and guidelines;
- h) Reviewing and approving financial statements;
- i) Reviewing and approving the AC, RMC, NC and RC reports at the end of each financial year;
- j) Reviewing and approving the Company's annual report;
- k) Ensuring the integrity of the Company's financial and non-financial reporting;
- l) Approving a corporate governance overview statement of the application of the principles set out in the MCCG, approving the corporate governance report pursuant to the MMLR, in compliance with MCCG and the MMLR, preparing a risk management and internal control statement and a narrative statement of the management of material economic, environmental and social risks and opportunities for the annual report pursuant to the MMLR;
- m) Ensuring that the necessary resources are in place for the Company to meet its objectives and review Management's performance;
- n) Setting the Company's values and standards, and ensuring that its obligations to the Company's shareholders and other stakeholders are understood and met;
- o) Ensuring that a Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board is appointed;

- p) Together with Management, promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour founded on the principles of transparency, objectivity and integrity. The Board should set the “tone from the top” by formalising and committing to ethical values;
- q) Setting the tone and standards of the Company through the Code of Conduct and Ethics for the Company in accordance with the MCCG which articulate acceptable practices and behaviour of directors, management and employees. The Board, together with Management implements its policies and procedures, which include managing conflict of interest, preventing the abuse of power, corruption, insider trading and money laundering;
- r) Establishing policies and procedures to determine the remuneration of Directors and Management in accordance with the MCCG, which take into account the demands, complexities and performance of the Company as well as skills and experience required;
- s) Undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual Director; and
- t) Providing information promptly to the Company in accordance with the MMLR, where the Company makes an enquiry with the Directors for the purpose of making a disclosure pursuant to the MMLR and/or CA.

### **3.2 Authority and Matters Reserved for the Board’s Decision**

- 3.2.1 The Board must establish written policies and procedures to provide a sound framework of authority and accountability within the Group and to facilitate proper corporate decision-making at the appropriate level in the Group's hierarchy.

The day-to-day operations of the Company shall be managed and administered by the Management of the Company, subject always to the policies and procedures set by the Board.

- 3.2.2 Subject to the limits stated in the LOA and the Constitution, the Board reserves full decision-making powers on the following matters:-

- a) setting the strategic direction of the Company;
- b) material acquisitions and disposition of assets;
- c) investments in capital projects;
- d) material borrowings;
- e) related party transactions;
- f) treasury policies;
- g) risk management policies; and
- h) key human resource issues.

- 3.2.3 The Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company’s expense.

- 3.2.4 The business and affairs of the Company shall be managed by or under the direction of the Directors. The Directors have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company subject to any modification, exception or limitation contained in the CA or in the Constitution

### **3.3 Composition and Board Balance**

- 3.3.1 The Board must comprise a balance of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) such that no individual or small group of individuals can dominate the Board's decision making.
- 3.3.2 The Board must consist of qualified individuals with diverse age, cultural, ethnicity, gender, experiences, backgrounds and perspectives. While it is essential to promote overall boardroom diversity, however the normal selection criteria based on effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remain a priority. The Board must be of such composition and size that they facilitate the making of informed and critical decisions. Unless otherwise determined by the Company in general meeting, the number of Directors must not be less than three (3) nor more than fifteen (15). The Directors must not hold more than 5 directorships in listed companies on Bursa Securities.
- 3.3.3 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members must be Independent Directors.
- 3.3.4 The Chairman of the NC must be an Independent Director.
- 3.3.5 The Independent Directors must provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- 3.3.6 Upon reaching nine (9) years of cumulative tenure and beyond, an Independent Director shall be subject to the annual assessment pursuant to the relevant policy of the Company. Pursuant to the said assessment and subject to the relevant policy of the Company, the Board must justify and seek annual shareholders' approval at Annual General Meeting in the event that it wishes to retain the Director as Independent Director. In the course of the assessment, the Board should undertake a rigorous review to determine whether the "independence" of the Director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.
- In the event that the said Independent Director fails the assessment or fails to procure the shareholders' approval to remain as Independent Director, he/she shall step down from the Board, unless the Board decides to re-designate him/her as a Non-Independent Director.
- 3.3.7 In any event, an Independent Director must not remain as an Independent Director in such capacity for a period of more than twelve (12) years.
- 3.3.8 The Independent Directors must ensure that the interests of all shareholders, and not only the interests of a particular faction or group, are taken into account by the Board. The Board must consider all relevant issues objectively and impartially.
- 3.3.9 The views of the Independent Directors carry significant weight in the Board's decision-making process. If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes must clearly reflect this.
- 3.3.10 The Board, through the NC, must annually review its composition considering the benefits of all aspects of diversity in order to maintain an appropriate range and mix of skills, experience, background and other qualities, including core competencies which Non-Executive Directors should bring to the Board.

In order to assess Directors' independence on an annual basis, the Company must incorporate questions in its annual Board assessment on whether its Directors view its members as able to exercise judgement in problem solving and having independence and objectivity in decision making.

3.3.11 On boardroom diversity, the Board is supportive of boardroom diversity in terms of age, gender cultural background and ethnicity as recommended by MCCG and Bursa Securities. The Company does not set any specific target on boardroom diversity in terms of age, gender cultural background and ethnicity. However, the Board through the NC will continuously review the Board composition taking into consideration the appropriate skills, experience and characteristics required by the Board members, in the context of the needs of the Group.

3.3.12 The Directors must within seven (7) days notify the Board upon accepting any new directorship so that proper statutory lodgement with the relevant authorities could be made.

### **3.4 Appointments**

3.4.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NC. In making its recommendation, the NC must consider the character, integrity, competence, knowledge, diversity, commitment, independent judgement, performance and contribution, experience and accomplishments, board interaction and any other criteria deemed fit, of the candidates. In making its recommendation, the NC may utilise independent sources to identify suitably qualified candidates.

The Company may disclose in the Annual Report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the NC or otherwise

The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with the Constitution of the Company.

Any Director so appointed shall hold office only until the next following AGM of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The Directors may appoint a person to act as his alternate subject to the provisions in the MMLR and the Constitution.

3.4.2 The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body but if as long as their number is reduced below the number fixed by or pursuant to the Company's Constitution as the quorum of Directors, the continuing Director or Directors may, except in an emergency, act for the purpose of increasing the number of Directors to such minimum number or of summoning a general meeting of the Company. If there are no directors or director able or willing to act, then any two (2) members may summon a general meeting for the purpose of appointing Directors.

3.4.3 New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings / matters before accepting his / her appointment to the Board.

3.4.4 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed. The Company Secretary is to facilitate the orientation of new Directors and assist in Directors' training and development.

Notice in writing to the Company of such interests in shares, debentures, participatory interests, rights, options and contracts in the Company or its related companies pursuant to the CA should also be given by the Director.

All Directors are also required to provide letters of undertaking in the prescribed form to Bursa Securities within fourteen (14) days of appointment stating their undertaking to comply with the MMLR. The Independent Directors are required to provide confirmation of independence in the prescribed form.

- 3.4.5 In addition to the Mandatory Accreditation Programme (MAP) as required by Bursa Securities, Board members are also encouraged to attend training programmes conducted by competent professionals which aids the Director in the discharge of his duties as a Director and which are relevant to the Company's operations and business. The Board, through the NC, evaluates and determines the training needs of the Directors on a continuous basis and discloses in the Annual Report the training programmes attended by the Directors.

### **3.5 Re-election**

- 3.5.1 At the AGM in every year, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office PROVIDED ALWAYS that all Directors including MD and Executive Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. An election of Directors shall take place each year.

The Directors to retire in every year shall be those who have been longest in office since last election, but as between Directors of equal seniority, the Directors to retire shall (unless they otherwise agree among themselves) be determined from among them by lot.

### **3.6 Supply of Information**

- 3.6.1 The Company shall timely provide all Directors with quality information in a form and manner appropriate for them to discharge their duties effectively. All Directors have the same right of access to information.

All Directors have the right, whenever necessary and reasonable, to be provided with full and unrestricted access to the resources needed to enable them to perform their duties, at the cost of the Company and in accordance with a procedure to be determined by the Board:-

- a) including but not limited to obtaining full and unrestricted access to any information pertaining to the Company;
- b) obtaining full and unrestricted access to the advice and services of the Company Secretary; and
- c) obtaining independent professional or other advice.

- 3.6.2 Notice of meeting and whenever possible the agenda must be circulated to all Directors in advance of each Board meeting and the full agenda and comprehensive, complete and accurate Board papers (including pre-reading material) are circulated to all Directors within a reasonable period prior to each Board meeting. This allows the Directors time to review material and, where necessary, conduct independent analyses or request additional material.

However, genuine urgent matters and exceptional circumstances, for example acquisitions, could fall outside these timing requirements and shorter notice would be allowed with the Chairman's consent and approval.

- 3.6.3 Upon conclusion of the meeting, full Board minutes of each Board meeting must be circulated to Board members in a timely manner and kept by the Company Secretary.

### **3.7 Vacancy**

The office of Director shall, ipso facto, be vacated:-

- a) if he ceases or is disqualified to be a Director by virtue of the CA;
- b) if he resigns from his office by notice in writing under his hand sent to or left at the registered office in accordance with Section 208 of the CA;

- c) if he retires in accordance with the CA or the Constitution but is not re-elected;
- d) if he shall have been absent from more than 50% of the total meetings of the Directors held from the date of his election or appointment to the end of any financial year of the Company (whether or not an alternate Director appointed by him attended) unless otherwise exempted by the Bursa Securities on application by the Company;
- e) if he is removed from his office of Director by resolution of the Company in a general meeting pursuant to the CA or the Constitution;
- f) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 [Act 615];
- g) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- h) if he dies;
- i) if he becomes prohibited from being a Director pursuant to paragraph 15.05 of the MMLR; or
- j) if he otherwise vacates his office in accordance with the Constitution of the Company.

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

#### **4. MEETINGS**

- 4.1 The Board shall meet in person where practicable, with due notice of issues to be discussed and shall record its conclusion in discharging its duties and responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- 4.2 The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum necessary for the transaction of the business of Directors shall be two (2).
- 4.3 A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under the Constitution vested in or exercisable by the Directors generally. Every Director has one (1) vote. Subject to the Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Directors and provided always that in the case of an equality of votes, the Chairman of a meeting shall have a second or casting vote. However, in the case of an equality of votes and two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

Pursuant to the above, the Chairman may, to the extent applicable and possible, take into consideration the followings as reference in exercising his/her casting vote:

- a) The Chairman's casting vote may be exercised in the event of equality of votes only.
- b) In the event the Chairman has two votes, one as a Director and the other a casting vote, these two votes may not be exercised together. The Chairman may use his/her vote at the same time the other Directors vote and then, only in the event of equality of votes, the Chairman may exercise his / her casting vote.

- c) If the Chairman puts the issue to the vote, but does not vote him/herself and there is an equality votes, then the casting vote may not apply since the Chairman has yet to exercise his/her deliberative vote.
- d) The casting vote is used in good faith and be exercised honestly and in accordance with what the Chairman believes to be the best interests of those who may be affected by the vote.
- e) The casting vote is used to resolve disputes and attempt to achieve consensus and not to promote the personal interests of the Chairman.
- f) The Chairman may not be compelled to cast the casting vote.
- g) The Chairman may consider exercising his/her vote to maintain the status quo or to keep a proposal alive in order to allow further discussion.

## **5. CIRCULAR RESOLUTIONS**

A resolution in writing signed or approved by letter, electronic mail, telegram, telex or telefax or other electronic communication by majority of the Directors who may be present in Malaysia and by majority of Directors who may be absent from Malaysia and who have supplied the Company Secretary an address for the giving of notices to them while they are so absent, and who are sufficient to form a quorum, but other than any Director who is precluded or prohibited from voting on the resolution in question by reason of the Constitution or any applicable law, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present in Malaysia and has not supplied to the Company Secretary an address for the giving of notices to him while he is not so present but has an alternate who is so present, then such resolution shall be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.

## **6. ROLES AND RESPONSIBILITIES OF A DIRECTOR**

### **6.1 Delegation of roles and responsibilities**

The Directors may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any persons (whether or not a Director) to be members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of these powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any such committee or local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

While the Directors may appropriately delegate its authority to committees or Management, they should not abdicate their responsibilities and should at all times exercise collective oversight of the committees and Management. The Directors should not delegate matters to a committee or Management to an extent that would significantly hinder or reduce the Directors' ability to discharge their functions. The delegation shall always be subjected to Section 216 of the CA.

**Section 216(2) of the CA** states that where the directors have delegated any power, the directors are responsible for the exercise of the power by the delegatee as if the power had been exercised by the directors themselves. **Section 216(3) of the CA** states that the directors are not responsible under subsection (2) if – (a) the directors believed on reasonable grounds at all times that the delegatee would exercise the power in conformity with the duties imposed on the directors under the CA and the constitution of the company, if any; and (b) the directors believed on reasonable grounds, in good faith and after making a proper inquiry, if the circumstances indicated the need for the inquiry, that the delegatee was reliable and competent in relation to the power delegated.

## **6.2 Directors' Duties**

6.2.1 The duties of a Director, either individually or collectively are many, amongst others to:-

- a) abide by all regulatory and statutory requirements that affect them;
- b) at all times act in good faith in the best interests of the Company as a whole and not in the interests of some other person or body;
- c) exercise reasonable care, skill and diligence with the knowledge, skill and experience which may be reasonably expected of a Director having the same responsibility and any additional knowledge, skill and experience which the Director in fact has;
- d) make the business judgement in good faith for a proper purpose, in the best interest of the Company, does not have a material personal interest in the subject matter of the business judgment, is informed about the subject matter of the business judgment to the extent the Director reasonably believes to be appropriate under the circumstances;
- e) exercise the powers granted by the Company's Constitution for "proper purposes", and not for any collateral purpose;
- f) refrain from or prevent any act that would adversely affect decision-making concerning the activities of the Company;
- g) act in accordance with their fiduciary duties and comply with the spirit as well as the letter of the law;
- h) carry out their duties in a lawful manner and use reasonable endeavours to ensure that the Company conducts its business in accordance with the law and a high standard of "commercial morality";
- i) endeavour to avoid conflicts of interest wherever possible. Where a conflict arises they must adhere scrupulously to the procedures provided by the law, the Constitution of the Company and any policies or procedures approved by the Board for dealing with conflicts, whereby they must disclose their nature of interest during the board meeting and shall not participate in any discussion and shall abstain from the decision making process;
- j) be diligent, attend Board meetings and devote enough time to remain familiar with the nature of the Company's business and context, including the political, legal and social framework within which it operates. Directors should be aware of the statutory and regulatory requirements that affect the Company;
- k) observe the confidentiality of non-public information they possess as Directors; and
- l) ensure that the Company has in place an approved procedure for buying and selling shares or securities in the Company by Directors and their associates. Directors should not indulge in "insider trading" and should notify the Board in advance of any intended transaction by them, their relatives and associates.

6.2.2 Subject to the CA, the Directors shall not without the prior approval of the Company in a general meeting:-

- a) enter or carry into effect any arrangement or transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company; or
- b) exercise any power of the Company to issue shares unless otherwise permitted under the CA; or
- c) enter or carry into effect any arrangement or transaction with a Director or a substantial shareholder of the Company or its holding company, or its subsidiary, or a person connected with a Director or substantial shareholder to acquire from or dispose to such a Director or person any shares or non-cash assets of the requisite value.

6.2.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### **6.3 Directors' Liabilities**

6.3.1 Directors may be liable if they:-

- a) fraudulently take, apply, conceal or destroy any property of the Company;
- b) falsify, destroy, alter or mutilate any Company's record with the intent to defraud or deceive;
- c) knowingly be a party to the carrying on of any business of the Company in a reckless manner;
- d) induce a person to give credit to the Company through fraud or false pretences;
- e) knowingly be a party to the carrying on of any business of the Company with the intent to defraud creditors of the Company; and
- f) are involved in "insider trading".

6.3.2 Directors are insured against errors and omissions and the associated costs of defending or settling a claim arising from any acts or omission in their capacity as Directors. However, the indemnity and insurance do not cover any criminal liability or any liabilities arising from breach of trust or negligence, or the provisions covered in Section 288 of the CA. The indemnity and insurance shall be in accordance with Section 289 of the CA.

## **7. CONFLICT OF INTEREST**

7.1 Directors must avoid any conflict of interest situation and comply with the Company's applicable policy relating to conflict of interest. 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 or indirect to the Company.

- 7.2 Directors must at all times act in the best interest of the Company and not for personal gain or enrichment. Specifically, Directors shall follow the following guidelines:-
- a) avoid placing own interest or any third-party interest above the Company;
  - b) not engage in any outside business that would directly or indirectly materially adversely affect the Company;
  - c) not abuse board membership by improperly using board membership for personal or third-party benefit;
  - d) not accept gifts, 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.

## **8. ROLES OF CHAIRMAN AND MANAGING DIRECTOR**

### **8.1 Roles of Chairman**

- 8.1.1 There must be a balance of power and authority between the Chairman and the MD with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and MD must be separated, held by different individuals, clearly defined and will be reviewed if there are significant changes to the Company's strategy, operations, performance or management.
- 8.1.2 The Chairman, in consultation with the MD and the Company Secretary, must set the agenda for Board meetings and ensure that the board members receive complete and accurate information in a timely manner. He must ensure that the number of agenda items and its prioritisation enables effective board discussions.
- 8.1.3 The Chairman leads board meetings and discussions and ensures that no Board member, whether Executive or Non-Executive, dominates the discussion, and drives towards consensus and to achieve closure on such discussion. The Chairman will encourage active participation and allow dissenting views to be freely expressed. The Chairman will chair general meetings and act as the Company's ambassador, both within the domestic market and internationally. The Chairman shall allow a reasonable opportunity for members at the meeting to question, discuss, comment or make recommendation on the management of the Company.
- 8.1.4 The key roles and responsibilities of the Chairman include:-
- a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
  - b) managing the interface between the Board and the Management in ensuring the success of the Company's governance and management functions;
  - c) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
  - d) leading the Board in establishing and monitoring good corporate governance practices in the Company;
  - e) managing board communications and effectiveness;
  - f) ensuring board proceedings are in compliance with best practices;
  - g) maintaining good contact and effective relationships with external stakeholders, investing public, regulatory bodies, etc.; and
  - h) ensuring compliance with all relevant regulations and legislation.

## **8.2 Roles of Managing Director**

- 8.2.1 The MD has the executive responsibility for the day-to-day operations of the Company's business.
- 8.2.2 The MD must implement the policies or strategies approved and decisions made by the Board.
- 8.2.3 The MD shall be subject to the control of the Board.
- 8.2.4 All Board authorities conferred on the Management with the exception of the internal audit function, are delegated through the MD and this will be considered as the MD's authority and accountability as far as the Board is concerned. Consequently, the MD is answerable to the Board for the achievement of the agreed company goals within the limitations of authority granted to the MD by the Board.

The key responsibilities and accountabilities of the MD include:-

- a) plan, develop and implement strategies for generating resources and/or revenues for the Company which include identifying new market opportunities and strategic alliances;
  - b) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners;
  - c) perform core role as Board member of subsidiaries and associated companies to ensure achievement of both financial and non-financial goals or key performance indicators as reflected in the agreed balanced scorecard;
  - d) lead and monitor annual budgets for the business unit;
  - e) providing governance support to key subsidiaries of IHH;
  - f) building relationships in key new markets with regulators/industry leaders, as well as transitioning relationships in existing markets;
  - g) facilitating effective coordination and cooperation among and between corporate and business unit senior management of the Group to build relationships, share best practices and explore opportunities to improve knowledge of businesses;
  - h) report to the Board on the Company's overall performance;
  - i) ensure recruitment and retention of high calibre personnel; and
  - j) establish and implement short and long-range business unit goals, objectives, policies and operating procedures.
- 8.2.5 The Directors may entrust to and confer upon the MD any of the powers exercisable by him upon such terms and conditions with such restrictions as they may think fit and may from time to time revoke, withdraw, alter, or vary all or any of those powers.

## **9. BOARD COMMITTEES**

The Board may delegate certain of its governance responsibilities to Board committees with clearly defined terms of reference. The following are the relevant Committees established by the Board:-

- a) AC;
- b) RMC;
- c) NC;

- d) RC; and
- e) SC.

Apart from the above committees, the Board may from time-to-time establish other Board Committees to assist the Board in discharging its responsibilities more effectively.

Save for the SC, Independent Directors and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required.

## **9.1 Audit Committee**

- 9.1.1 Members of the AC shall be appointed by the Board from among its members. The AC must comprise at least three (3) members who must be Non-Executive Directors and the majority of whom shall be Independent Directors. At least one (1) member must be a member of the Malaysian Institute of Accountants, or if he is not, he must comply with Para 15.09 (1)(c)(ii) or (iii) of the MMLR.
- 9.1.2 No alternate Director can be appointed as a member of AC.
- 9.1.3 The Chairman of the AC must be an Independent Director appointed from amongst the AC members. The Chairman of AC must not be the Chairman of the Board.
- 9.1.4 The AC is responsible for:-
  - a) assisting the Board in fulfilling its statutory and fiduciary responsibilities in ensuring that the Company has in place a sound and robust internal control framework and ensure that such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives;
  - b) reviewing financial statements and financial reporting process as well as management of financial and operational risks;
  - c) reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality and ensure compliance with the Group's policies;
  - d) assisting the Board in ensuring that the Management maintains a sound system of internal controls to safeguard and enhance enterprise value;
  - e) ensuring that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
  - f) overseeing the implementation of the Whistleblower Policy and Procedures for the Group, and ensuring effective administration thereof by the Group Internal Audit function;
  - g) following up with any observations and/or recommendations which the Group's external auditors may provide to the Group's Management after the conduct of their annual audits to ensure that the matters highlighted by the Group's external auditors are appropriately addressed and/or implemented, as the case may be;
  - h) communicating its insights, views and concerns about relevant transactions and events to internal and external auditors;
  - i) communicating the AC's concerns on matters that may have an effect on the financial or audit to the external auditor; and
  - j) ensuring there is co-ordination between internal and external auditors.

The Terms of Reference of AC is available on the Company's website at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).

## **9.2 Risk Management Committee**

9.2.1 Members of the RMC shall be appointed by the Board from among its members. The RMC shall comprise at least three (3) members, who must be Non-Executive Directors and the majority of whom shall be Independent Directors.

9.2.2 The Chairman of RMC shall be an Independent Director appointed from amongst the RMC members. The Chairman of RMC shall not be the Chairman of the Board.

9.2.3 The RMC is responsible for:-

- a) assisting the Board in fulfilling its statutory and fiduciary responsibilities including ensuring that the Company has in place a sound and robust risk management and internal control framework and ensure that such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives;
- b) reviewing the management of the Company in addressing key risks including but not limited to financial operational, medical and clinical, regulatory compliance, cyber security, sustainability and reputational risks;
- c) reviewing reports from risk management department and/or the Medical Affairs and Quality department on risk exposures and risk management plans to cover compliance with the Group's policies, and the overall risk mitigation plan;
- d) assisting the Board in ensuring that the Management maintains sound risk management processes to safeguard and enhance enterprise value; and
- e) ensuring that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

The Terms of Reference of RMC is available on the Company's website at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).

## **9.3 Nomination Committee**

9.3.1 Members of the NC shall be appointed by the Board from amongst its members and shall comprise at least three (3) members, all of whom must be Non-Executive Directors and the majority of whom shall be Independent Directors, drawing advice from experts, if necessary.

9.3.2 The Chairman of the NC shall be any Independent Director identified by the Board.

9.3.3 The NC is responsible for:-

- a) Proposing the candidates for:
  - i. the Board of the Company;
  - ii. the Board of the major operating subsidiaries of the Company as identified by the Board from time to time;
  - iii. the Board Committees of the Company; and
  - iv. The Board Committees of the major operating subsidiaries of the Company as identified by the Company from time to time (where applicable);
- b) assessing the effectiveness of the Board as a whole including the Board Committees of the Company (including whether the Board and the Board Committees possess the required mix of skills, size and composition, experience, core competencies and other qualities), and contribution of each individual Director (including Independent Directors) on an annual basis;

- c) overseeing the succession planning and talent management for the Board and Management (as identified by NC / Board from time to time) of the Group;
- d) proposing continuous training for the individual Directors to ensure their competencies are in check; and
- e) proposing to the Board, the appointment and re-election of Executive Directors, Non-Executive Directors (including Independent Directors) and Management of the Group (as prescribed in the LOA).

The Terms of Reference of NC is available on the Company's website at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).

#### **9.4 Remuneration Committee**

9.4.1 Members of the RC shall be appointed by the Board from amongst its members and shall comprise at least three (3) members, all of whom must be Non-Executive Directors and the majority of whom shall be Independent Directors, drawing advice from experts, if necessary. Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly. Executive Directors should not be involved in deciding their own remuneration.

9.4.2 The Chairman of the RC shall be any Independent Director identified by the Board.

9.4.3 The RC is responsible for:-

- a) Proposing to the Board, the remuneration of Executive Directors, Non-Executive Directors (including Independent Directors) and Management of the Group (as prescribed in the LOA) in all its forms, drawing from outside advice as necessary; and
- b) Implementing the policies and procedures on remuneration including reviewing and recommending to the Board, matters relating to the remuneration of Board and Management which includes the Group's executive remuneration policy, remuneration framework and performance measures criteria, including the various incentive or retention schemes implemented by the Group.

The Terms of Reference of RC is available on the Company's website at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).

#### **9.5 Steering Committee**

9.5.1 The members of SC shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members. The Chairman of SC shall be a Director appointed by the Board.

9.5.2 The duties of the SC shall be, inter alia:-

##### Primary Purpose

- a) The SC shall be the forum to discuss and advise the Board on the strategic plans for the long-term development of the Group. The SC shall be responsible to recommend to the Board on all strategic plans, significant investment/divestment decisions and financing plans requiring the Board's approval;
- b) The SC shall review and recommend to the Board any proposal for transactions which require approval of the Board pursuant to the LOA. The SC may approve such matters as set out in the LOA or as otherwise delegated by the Board from time to time;

#### Strategic Support

- c) To have oversight of the strategic matters and policy making for the Group;
- d) To ensure that all major transactions undertaken by the Group are aligned with group-wide priorities and objectives and the short and long-term strategy of the Group;
- e) To undertake the post-implementation review on the investments undertaken by the Group which have been approved by the SC and/or the Board.

#### Corporate Transactions

- f) Review and make recommendation to the Board on, inter alia, major transactions by any entity within the Group. Major transaction includes any of the following:
  - i. Investment management activities of the Group including acquisition or disposal of assets/business and entry into a new market as per the LOA;
  - ii. material borrowing which is more than 5% of the latest published audited net assets of the Group;
  - iii. incorporation, winding up or liquidation of IHH's subsidiaries, if material;
  - iv. listing of the securities of any of IHH's subsidiaries on any stock exchange; and
  - v. such other transactions including any investment project that any of the Group entities escalates to the SC for direction.

#### Financial Management

- g) Review and make recommendation to the Board regarding policy issues relating to operating budgets, capital expenditures, cashflow, dividend payout, etc.;

#### Procurement

- h) Oversee the broad procurement strategy for the Group including:
  - i. Updating of the Group's procurement strategy plan and review the group-wide procurement processes including analysing the spend analysis of the Group, among others;
  - ii. Approval of strategic / large central procurement budgets for execution by the relevant business units / departments based on the respective limbs of the LOA; and
  - iii. Other oversight functions relating to procurement activities as requested by the Board.

#### Tender Exercise

- i) Review and evaluate the tender bids received by the Group in connection with the construction / development of facilities (including the purchase of equipment as part of the construction / development of facilities projects) and such other projects that any group company may undertake from time to time but excluding routine operational tenders for supply of good and services, and make the recommendations to the Board in accordance with the LOA;
- j) Perform other oversight functions relating to the award of tenders as requested by the Board.

## Others

- k) Review of performance of the Group's operations; and
- l) Carry out any other function that may be mutually agreed upon by the SC and the Board.

## **10. REMUNERATION LEVELS OF DIRECTORS**

- 10.1 Remuneration must be set at levels which are sufficient to attract and retain the Directors needed to drive the Company's long-term objectives, taking into consideration all relevant factors including the demands, complexities and performance of the Company as well as skills and experience required, function, workload and responsibilities involved.
- 10.2 The level of remuneration for the MD and/or Executive Directors must be structured so as to link rewards to corporate and individual performance.
- 10.3 The fees of all of the Directors in any year and any benefits payable to Directors including any compensation for loss of employment of a Director or former Director shall from time to time be determined by an ordinary resolution of the Company in general meeting and provided always that:-
  - a) fees or extra remuneration payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
  - b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
  - c) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter;
  - d) fees or extra remuneration payable to Director(s) holding executive position(s) in such capacity, may not include a commission on or percentage of turnover; and
  - e) any Director who shall hold office as part only of the period in respect of which such fees are payable shall be entitled only to the fee related to the period during which he has held office.
- 10.4 The Directors (including alternate Directors) shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other thing required of him as a Director of the Company.
- 10.5 If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing, if any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.
- 10.6 Non-Executive Directors who have participated in the employee share scheme are prohibited to sell, transfer or assign the shares obtained through the exercise of options offered to him pursuant to the employee share scheme within one (1) year from the date of offer of such options.

- 10.7 A formal independent review of the Directors' remuneration is undertaken no less frequently than once every three (3) years.
- 10.8 An adequate disclosure on the Directors' remuneration would be made in the Company's Annual Report for transparency and accountability purposes as well as in compliance with the MMLR.

## **11. FINANCIAL REPORTING**

### **11.1 Transparency**

- 11.1.1 The Company shall present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.
- 11.1.2 The Board shall ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the applicable approved accounting standards.
- 11.1.3 The quarterly financial results must be announced to Bursa Securities as early as possible within two (2) months after the end of each quarterly financial period.
- 11.1.4 The Auditors Report shall contain a statement from the Company's external auditors explaining their responsibility in forming an independent opinion, based on their audit of the financial statements.

### **11.2 External Auditors**

- 11.2.1 The Board must establish formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the external auditors through its AC.
- 11.2.2 The AC must keep under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. The AC must review the independence of external auditors annually and ensures that other non-audit work is not in conflict with the functions of external auditors.
- 11.2.3 Appointment of the external auditors must be subject to approval of shareholders at general meetings. The external auditors have to retire during the AGM and subject to re-appointment by shareholders for the ensuing year.

### **11.3 Internal Controls and Risk Management**

- 11.3.1 The Company shall have a well-resourced internal audit function, which is independent of the activities it audits, to critically review all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are to be undertaken on a regular basis. The Head of Internal Audit shall report directly to the AC and have direct access to the Board through the Chairman of the AC.
- 11.3.2 The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, effective and efficient operations, compliance with laws and regulations as well as risk management, that will provide a reasonable assurance that the Company's assets are safeguarded against unauthorised use or disposition and the system is reviewed on a regular basis.

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

The Board should determine the Company's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets.

The Board or through the relevant Board Committees, should also disclose whether it has conducted an annual review and periodic testing of the Company's internal control and risk management framework. This should include any insights it has gained from the review and any changes made to its internal control and risk management framework arising from the review. Where information is commercially sensitive and may give rise to competitive risk, disclosure in general terms is acceptable.

The disclosure should include a discussion on how key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place to mitigate or manage those risks. In addition, it should state if the risk management framework adopted by the Company is based on an internationally recognised risk management framework;

- 11.3.3 The RMC must receive reports regarding the outcome of such reviews on a regular basis.

## **12. GENERAL MEETINGS**

### **12.1 Annual General Meeting**

- 12.1.1 The AGM is the principal forum for dialogue with private and institutional shareholders. The Directors must ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

- 12.1.2 The Chairman must encourage active participation by the shareholders during the AGM.

- 12.1.3 The Chairman and, where appropriate, the MD and/or Management shall respond to shareholders' queries during the AGM. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

- 12.1.4 The Company shall in each year hold a general meeting as its AGM in addition to any other meetings in that year, within six (6) months of the Company's financial year end and not more than fifteen (15) months shall elapse between the date of one AGM and that of the next.

- 12.1.5 The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-one (21) days before the meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the stock exchanges upon which the Company's shares are listed.

Notwithstanding the above, the Company shall aim to issue the notices for an AGM to the shareholders at least twenty-eight (28) days prior to the meeting.

- 12.1.6 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

## **12.2 Extraordinary General Meeting**

- 12.2.1 The Directors may whenever they think fit, convene an EGM, and EGMs shall also be convened on any requisition made in accordance with the provisions of the CA, or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 311 of the CA a meeting may be convened by such requisitionists in the manner provided in Section 313 of the CA. Any meeting convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.
- 12.2.2 Subject always to the provisions of Section 323 of the CA, no business shall be transacted at an EGM except business of which notice has been given in the notice convening the meeting.
- 12.2.3 The notices convening an EGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to stock exchanges upon which the Company's shares are listed.
- 12.2.4 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

## **13. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

- 13.1 The Board must be accountable to the shareholders and as such the Board must maintain an active and constructive communication policy which is transparent that enables the Board and Management to communicate effectively with investors, stakeholders and the general public.
- 13.2 The Board must be mindful of the legal and regulatory framework governing the release of material and price-sensitive information. Investor relations within the Company are subject to the Group's Investor Relations Policy which can be viewed on the Group's website at [www.ihhhealthcare.com](http://www.ihhhealthcare.com).
- 13.3 The Company shall conduct dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 13.4 A press conference will normally be held after each general meeting. At this press conference, the Chairman or MD will give a press release stating the Company's results, their prospects and outline any specific event for notation. All press releases will be vetted by Management to ensure that information that has yet to be released to Bursa Securities is not released to the press.
- 13.5 The Company's website at [www.ihhhealthcare.com](http://www.ihhhealthcare.com) must contain vital information concerning the Group. The Company's website must provide easy access to corporate information pertaining to the Company and its activities and all the announcements made to Bursa Securities.
- 13.6 The Company adopts integrated reporting based on a globally recognised framework. An integrated report is the main report from which all other detailed information flows; such as financial statements, governance and sustainability reports. It is concise communication about how the Company's strategy, performance, governance and prospects lead to value creation.

## **14. RELATIONSHIP WITH OTHER STAKEHOLDERS**

**14.1** In the course of pursuing the vision and mission of the Company, the Board recognises that no company can exist to maximise shareholders value alone. In this regard, the needs and interests of other stakeholders shall also be taken into consideration.

### **14.2 Employees**

14.2.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

14.2.2 The Company shall adopt comprehensive and documented policies and procedures with respect to the following:-

- a) occupational safety and health with the objective of providing a safe and healthy working environment for all employees;
- b) industrial relations with the objective of managing employees' welfare and well-being in the workplace; and
- c) workforce diversity with the objective to provide an inclusive workplace that embraces and promotes diversity, recognising and accepting the individual differences across the Group.

### **14.3 Environment**

14.3.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.

14.3.2 The Company shall adopt comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

14.3.3 The Company supports initiatives on environmental issues.

### **14.4 Social Responsibility**

14.4.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.

14.4.2 The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.

14.4.3 The Company supports charitable causes and initiatives on community development projects.

## **15. COMPANY SECRETARY**

15.1 The Board must appoint a suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. The Board must ensure that the Company Secretary fulfils the functions for which he/she has been appointed.

15.2 The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

- 15.3 The roles and responsibilities of the Company Secretary include, but are not limited to the following:
- a) managing all Board and Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communications;
  - b) advising the Board on its roles and responsibilities;
  - c) facilitating the orientation of new Directors and assist in Director training and development;
  - d) advising the Board on corporate disclosures and compliance with company and securities regulations and MMLR;
  - e) managing processes pertaining to the annual shareholder meeting;
  - f) monitoring corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
  - g) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.
- 15.3 The Company Secretary must advise the Directors of their obligations to adhere to matters relating to:-
- a) disclosure of interest in securities;
  - b) disclosure of any conflict of interest in a transaction involving the Company;
  - c) prohibition on dealing in securities; and
  - d) restrictions on disclosure of price-sensitive information.
- 15.4 The Board members must have unlimited access to the professional advice and services of the Company Secretary.
- 16. APPLICATION**
- 16.1 The principles set out in this Board Charter shall be:-
- a) kept under review and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities;
  - b) applied in practice having regard to their spirit and general principles rather than to the letter alone; and
  - c) summarised in the Annual Report as part of a narrative statement by the Directors on corporate governance.
- 16.2 The Board endeavours to comply at all times with the principles and practices set out in this Board Charter.
- 16.3 The Board shall review this Board Charter as and when it deems fit to ensure its applicability to the Company's current situation. This Board Charter shall be published in the corporate website of the Company.
- 16.4 At any one time, should the MMLR or CA be amended for any reason whatsoever, the amendment of which affected the contents of this Charter, the amended MMLR or CA shall take precedent over the Board Charter.