



(Company No. 1313166-D)
("H HEALTHCARE BERHAD"
or "the Company")
(Incorporated in Malaysia)

BOARDROOM DIVERSITY POLICY

Category	Corporate Governance
Subject/Title	Boardroom Diversity Policy
Approved by	Board of Directors
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1. PURPOSE OF THE POLICY

Recital

Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak, the Sixth Prime Minister of Malaysia had, in his speech at the Sustainability and Diversity Roundtable Session organised by the Economic Planning Unit and the Securities Commission on 9 April 2014, spoken about the need for listed issuers to establish and disclose their diversity policies, covering gender, ethnicity and age for board and management. This is in view that diversity, if well managed, can drive performance and strengthen governance. Hence, in the Malaysian context of a multi-ethnic and multi-cultural society, diversity can be a source of strength as well as a market differentiator.

Further to the above, it is also recognised that institutional investors play a key role as stewards of listed issuers in monitoring and engaging with their investee companies on matters relating to corporate governance or sustainability issues. Hence, Principle 5 of the Malaysian Code for Institutional Investors 2014 which was launched on 27 June 2014 ("**II Code**"), states that institutional investors are recommended to incorporate corporate governance and sustainability considerations, including environmental, social and governance factors in their investment decision making process. In particular, Guidance 5.2 of the II Code provides that the institutional investors should, among others, assess the quality of disclosures made by investee companies on the diversity targets and policies including gender, age and ethnicity.

Accordingly, Bursa Malaysia Berhad had vide its letter dated 22 July 2014 ("**Letter**") clarified that a listed issuer is required to disclose in the annual reports issued on or after 2 January 2015, its diversity policy for its Board of Directors and workforce in terms of gender, age and ethnicity as part of the enhanced disclosure requirements to Paragraph 15.08A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as clarified in the Letter. This serves to complement the various initiatives launched to inculcate diversity in the boardroom and workplace.

Recommendation 2.2 of the Malaysian Code on Corporate Governance 2012 recommends that the board should establish a policy formalising its approach to boardroom diversity. This entails the board through its nominating committee to take the necessary steps to ensure that women candidates are sought as part of its recruitment exercise. The board should explicitly disclose in the annual report its gender diversity policies and targets and the measures taken to meet those targets.

The purpose of this Boardroom Diversity Policy ("**Policy**") is to set out the approach to diversity on the Board of Directors of H HEALTHCARE BERHAD ("**Board**").

2. PRINCIPLES OF THE BOARDROOM DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, age, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires to be effective.

The Nomination and Remuneration Committee (“**NRC**”) reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. It also oversees the conduct of the annual assessment of Board effectiveness.

In reviewing Board composition, NRC will consider the benefits of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, NRC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, NRC will consider the balance of skills, experience, independence and knowledge on the Board and the diversity representation of the Board.

The Board also takes cognisance of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector as promulgated by the Cabinet in 2011. This has then been highlighted again in the Corporate Governance Blueprint 2011 – Towards Excellence in Corporate Governance issued by the Securities Commission, Malaysia which stipulates a goal for women participation on boards to reach 30% by 2016.

Apart from this, the Board also emphasises on the boardroom diversity in terms of age and ethnicity so as to cope with the diversified portfolio of the Group’s businesses. H HEALTHCARE BERHAD aspires to having a Board of Directors with different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the environment in which the Group operates its businesses, which are dispersed in different region worldwide.

The Board recognises that board diversity is an essential element contributing to the sustainable development of the Company and will take the necessary measures to ensure that in every possible event, the boardroom diversity be taking into consideration in the board appointment as well as annual assessment.

3. MEASURES ON BOARDROOM DIVERSITY

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. The Board would take into consideration the following measures:

Gender diversity

- The Company appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enables better problem solving to gain competitive advantage in serving an increasingly diverse customer base than the boardroom that dominated by one gender.
- **The Company does not set any specific target for female directors in the Board but will work towards having more female directors on the Board.**
- **The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.**

Age diversity

- The Board acknowledges the benefits of having a diversity in the boardroom in terms of age demographics, which would create professional environments that are rich with experience and maturity as well as youthful exuberance. The Board with a wide range of age has the advantage of creating a dynamic, multi-generational workforce with a diverse range of skill sets that are beneficial to the Company.
- **The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board.**
- **The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company.¹**

¹ Section 129 of the Companies Act, 1965 ("CA 1965") stipulates that no person of or over the age of seventy (70) years shall be appointed or act as a Director of a public company or of a subsidiary of public company unless approval from shareholders has been obtained at annual general meeting for his/her appointment or re-appointment. On 2 July 2013, the Companies Commission of Malaysia published a draft of the new Companies Bill ("Bill") for public consultation. The Bill, once gazetted, will replace the CA 1965. Among the changes proposed was the removal of the age limit for Directors of public companies or of a subsidiary of public companies.

Ethnic diversity

- The Board recognises that as today's world becomes increasingly global in its outlook and as the marketplace becomes increasingly global in nature, ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper inclusive but not limited to sharing of knowledge in different markets where the Group is operating to enhance the Group's global presence as well as sharing of viewpoints by Directors from different ethnic background as when a variety of viewpoints are thrown into the problem-solving mix, new and innovative solutions can be reached.
- **The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board.**

The NRC is responsible in ensuring that boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

4. MONITORING

The Board will review the measures set to achieve appropriate boardroom diversity from time to time.