IHH Healthcare Berhad
(Registration No. 201001018208 (901914-V))
("**IHH** or "**the Company**")
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE

NOMINATION AND REMUNERATION COMMITTEE

Category	**Terms of Reference**
Subject/Title	**Terms of Reference of the Nomination and Remuneration Committee**
Approved by	**Board of Directors**
Effective Date	**27 February 2025**
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1. Status

1.1 The Nomination and Remuneration Committee ("**NRC**") is a committee of the Board of Directors ("**Board**") of IHH Healthcare Berhad ("**Company**").

2. Membership

2.1 The NRC shall be appointed by the Board 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. In determining the independence of the members of the NRC, the Board will observe the requirements of Paragraph 1.01 of the Main Market Listing Requirement ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), and the relevant Practice Notes that may be issued by Bursa Securities from time to time.

2.2 The Chairman of the NRC shall be any Independent Director identified by the Board. The Chairman of the Board should not be a member of the NRC. The Chairman of the NRC shall:

(a) lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and Management succession, including the future Chairman, Executive Directors and Chief Executive Officer; and

(b) lead the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are individually assessed.

2.3 Where the members of the NRC for any reason are reduced to less than three (3), the Board shall, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2.4 All members of the NRC shall hold office only for so long as they serve as Non-Executive Directors of the Company.

2.5 Any member of the NRC may relinquish his/her membership in the NRC at any time with prior written notice to the Company Secretary.

3. Primary Purpose

3.1 The NRC is responsible for:

(a) Proposing the candidates for:
  (i) the Board of the Company;
  (ii) the Board Committees of the Company; and
  (iii) the Company appointees of Board and Board Committees of relevant Company entities, list of which is as defined in the IHH Group Limits of Authority ("**LOA**").

(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) Ensuring that the composition of the Board is refreshed periodically. The tenure of each Director should be reviewed by the NRC and annual re-election of a Director, should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board;

(d) Overseeing the succession planning and talent management for the Board and Senior Management (as identified by NRC/Board from time to time) of the Group;

(e) Proposing continuous training for the individual Directors to ensure their competencies are in check;

(f) Proposing to the Board, the appointment and re-election of Executive Directors, Non-Executive Directors (including Independent Directors) and Senior Management of the Group (specific roles as defined in the IHH Group LOA);

(g) Proposing to the Board, the remuneration of Executive Directors, Non-Executive Directors (including Independent Directors) and Senior Management of the Group (specific roles as defined in the IHH Group LOA), drawing from outside advice as necessary; and

(h) Implementing the policies and procedures on remuneration including reviewing and recommending to the Board, matters relating to the remuneration of Board and Senior Management (specific roles as defined in the IHH Group LOA) 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.

4. Responsibilities

The responsibilities of the NRC shall be to:

Nominating roles

4.1 Recommend to the Board, candidates for directorships at the Company in making the recommendations, the NRC may consider candidates proposed by the Board, Management, major shareholders of the Company and any external independent service provider or consultant engaged by the Company. In making its recommendations, the NRC shall consider the following criteria and any other criteria which the NRC deems necessary:

(a) skills and knowledge;
(b) age;
(c) cultural background;
(d) gender;
(e) integrity and judgement;
(f) commitment;
(g) independent judgement;
(h) performance and contribution;
(i) experience and accomplishments;
(j) board interaction;
(k) any other criteria deemed fit; and
(l) ability to discharge the responsibilities and functions as are expected from them.

However, in identifying suitably qualified candidates, the NRC must not solely rely on the recommendations from the existing Board members, Management or major shareholders of the Company. The NRC shall also utilise independent sources to identify suitably qualified candidates. If the selection of candidates was solely based on recommendations from the existing Board members, Management or major shareholders of the Company, the NRC should explain why these source(s) suffice and other sources were not used.

4.2 Recommend to the Board the re-election, re-nomination, re-appointment or removal of Directors to/from the Board of the Group after having regard to the Director's contribution and performance, and how this Director will fit in the overall competency of matrix of the Board. The NRC in recommending to the Board should consider the composition of the Board, the tenure of each Director on the Board and evaluate the need to bring new skills and perspectives to the boardroom;

4.3 Recommend to the Board, the appointment of the members of each Board Committee of the Company and the Group;

4.4 Recommend to the Board the appointment, cessation, suspension, dismissal and / or any staff movement which include re-designation, re-deployment, transfer or secondment of the Senior Management of the Group (specific roles as defined in the IHH Group LOA);

4.5 Review the Board composition of the Group taking into consideration the appropriate skills, experience and other qualities of the Board, including core competencies which the Non-Executive Directors (where applicable) should bring to the Board on an annual basis;

4.6 Annually assess and evaluate the effectiveness of the Board as a whole, Board Committees, the contribution of each individual Director and Chairman of the Board, Group Chief Executive and Group Chief Financial Officer to ensure that each of them has the character, experience, integrity, competence and time to effectively discharge his / her role as a Director, Group Chief Executive and Group Chief Financial Officer. The performance evaluations of the Board and Senior Management (specific roles as defined in the IHH Group LOA) shall include a review of their performance in addressing the Company's material sustainability risks and opportunities. The assessment and evaluation of the Group Chief Executive and Group Chief Financial Officer must be disclosed in the Annual Report and such disclosure must include the following aspects:

(a) how the evaluation was conducted, the criteria used such as the assessment of fit and properness, contribution and performance, caliber and personality of directors;

(b) whether an independent expert was engaged, or whether it was internally facilitated;

(c) key strengths and/or weaknesses that were identified from the evaluation; and

(d) steps or enhancements proposed to be undertaken to mitigate or address the weaknesses identified; and

(e) impact of the evaluation on board composition (if any).

In evaluating the effectiveness of the Board as a whole, the NRC shall also assess and evaluate the independence of the Independent Directors in accordance with the definition of “independent directors” prescribed by Paragraph 1.01 of MMLR;

4.7 Oversee the development of a succession planning framework and talent management for Board members of the Company and Senior Management of the Group;

4.8 There should be a formal, rigorous and transparent process for the appointment of Directors (including reappointments) and Senior Management (specific roles as defined in the IHH Group LOA). The candidate selection process should be guided by clear criteria as required under the MMLR and the Malaysian Code of Corporate Governance. Under the MMLR, the Board, Chief Executive Officer and Chief Financial Officer must possess the character, experience, integrity, competence and time to effectively discharge their role effectively. In evaluating the ability of a Director to perform his role effectively, the NRC in recommending should consider among others whether a Director is "over stretched" in terms of his commitments to the board commitments, to meet demands and expectations of the role;

4.9 The NRC in recommending to the Board should use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates for the Board position. This may include sourcing from a Director's registry and open advertisements or the use of independent search firms; and

4.10 Consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees of the Group to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group.

Remuneration Roles

4.11 Recommend to the Board formal and transparent policies and practices in determining the remuneration packages & structures of the Directors and Senior Management of the Group;

4.12 Review and recommend the appropriate performance target measures and benchmark for the Group Balanced Scorecard annually;

4.13 Review the achievement of the pre-determined performance target measures and benchmark in the Group Balanced Scorecard before recommending to the Board, the remuneration packages of Executive Directors, Non-Executive Directors (including Independent Directors), Chief Executive Officer and Senior Management (specific roles as defined in the IHH Group LOA) of the Group covering all aspects of remuneration including but not limited to fees, salaries, allowances, bonuses, options, benefits-in-kind and other emoluments. The remuneration package should take into account the complexity of the Company's business, the individual's responsibilities, the Company's performance in managing material sustainability risks and opportunities and the remuneration should also be aligned with the business strategy and long-term objectives of the Company; and

4.14 Review the Group's remuneration framework and make the relevant recommendations to the Board for endorsement. The NRC shall ensure that the recommended remuneration framework has the following characteristics:-

In relation to Directors of the Group:

(a) the performance-related elements of remuneration should be designed to align interests of Executive Directors with those of shareholders and link rewards to Group and individual performance;

(b) the remuneration of Non-Executive Directors' should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors; and

(c) the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

In relation to Senior Management of the Group:

(a) to take into consideration the pay and employment conditions within the industry and in comparable companies to ensure that Senior Management (specific roles as defined in the IHH Group LOA) of the Group are adequately remunerated;

(b) performance-related elements of remuneration should form a significant portion of the total remuneration package of Senior Management (specific roles as defined in the IHH Group LOA) of the Group;

(c) remuneration packages should be designed to align Senior Management's (specific roles as defined in the IHH Group LOA) interests with those of shareholders;

(d) remuneration should be linked to corporate and individual performance; and

(e) appropriate and meaningful measures (a set of performance measures, both financial and non- financial indicators) for the purpose of assessing individual performance.

4.15 Review the appropriateness of remuneration awarded to attract, retain and motivate Senior Management (specific roles as defined in the IHH Group LOA) of the Group needed to run the Group successfully.

4.16 Review/approve remuneration packages, benefits as well as yearly performance evaluation and rewards and in the event of early termination of the employment/service contracts, compensation commitments/severance payments, for the following top key positions of the Group as set out in the table below, in addition to the latest updated BCR list:

Position	Recommendation	Approval
Directors Non-Executive Directors — Fees and any other benefits payable by the Company and its subsidiaries	Board (at the recommendation of the NRC)	Shareholders
Executive Directors — Remuneration Package — Fees and any other benefits payable including any compensation for loss of employment income	NRC Board (at the recommendation of the NRC)	Board Shareholders

4.17 Review the achievement of the pre-determined performance target measures and benchmark in the Group Balanced Scorecard before recommending to the Board the annual salary increments, bonuses, allowances, options and benefits-in-kind for the Group's employees as a whole to ensure that the compensation/reward package is competitive and consistent with the Group's objectives, strategy and culture;

4.18 Deliberate and recommend to the Board, the establishment of the employees' share schemes which form part of the Group's total reward strategy;

4.19 Review the use of long-term incentives, including share schemes, for eligible participants of the Group. The use of share schemes should be weighed against other kinds of long-term incentive schemes;

4.20 Consider whether Group employees should be eligible for benefits under long-term incentive schemes and any other incentive or retention scheme maintained by the Group and in evaluating the quantum of share options to be awarded, the value of the entire incentive packages has to be carefully considered;

4.21 Have and shall exercise, unless and until otherwise be resolved from time to time by the Board, all powers of the Board in respect of the administration of the employees' share schemes established by the Group, including without limitation the matters set out below, except the Reserved Matters of the Board as stated under Section 5 herein:

(a) determine and approve the list of participants, the date of award, the number of options which are the subject of the award, the vesting period (if any), etc. provided that a member of the NRC may not determine or approve any award to be granted to himself / herself;

(b) construe and interpret the Bye Laws, define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the employees' share schemes established and its administration and the Board shall have the power by resolution to add to, amend and/or delete all or any of the Bye Laws upon such recommendation, subject always to the terms of the Bye Laws. In the exercise of this power, the NRC, may correct any defect, supply any omission or reconcile any inconsistency in the Bye Laws or in any agreement providing for any option in such manner and to the extent it shall deem necessary to expedite and make the employees' share schemes fully effective in accordance with the Bye Laws;

(c) determine all questions of policy and expediency that may arise in the administration of the employees' share schemes including, among others, the terms of eligibility of the employees of the Company and its subsidiaries, the method or manner in the grants are made to and exercised by eligible employees and any conditions imposed in relation thereto, and the termination of any options, and generally the exercise of such powers and performance of such acts as are deemed necessary or expedient to promote the best interests of the Company;

(d) develop and maintain the Company's policies and implementation guidelines in relation to the granting of options in light of the Company's overall remuneration philosophy in accordance with the Bye Laws;

(e) recommend to the Board for approval the manner in which the options are granted to and subsequently exercised by eligible employees in accordance with the provisions of the Bye Laws, including, inter alia, the determination of eligibility, grant level, terms of acceptance of offer, terms of exercise of the options and any other terms and other conditions imposed, at the discretion of the NRC provided always that no member of the NRC shall participate in any deliberation or decision in respect of options to be granted to himself, if any;

(f) subject however to the prior approval of the shareholders of the Company having been obtained at a general meeting for such grants, to review the grants of the options to the Managing Director, Executive Directors and/or Chief Executive Office and make recommendations to the Board for approval;

(g) where applicable, determine the price at which the grantee is entitled to subscribe for the options in accordance with the Bye Laws;

(h) where applicable, recommend to the Board for approval to extend the period of any offer for options which would have otherwise lapsed and become null and void in accordance with the provisions of the Bye Laws;

(i) determine whether or not to suspend (and if so, to later decide to lift such suspension of) the rights in respect of any options of a grantee in the event a warning letter is issued or the commencement of disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) against such grantee or determine whether or not the grantee may continue to exercise his/her options and to impose any limits, terms and conditions as it deems appropriate in respect of such exercise;

(j) extend, at the discretion of the NRC and subject to any applicable law, the benefit of the employees' share schemes to any employee of any company which is a subsidiary of or is associated with the Group, and deem such an employee to be an eligible employee for the purposes of the employees' share schemes, in the situation where such an employee had at any time (whether before or after the coming into force of the Bye Laws) been seconded from the Group to that company or *vice versa,* subject to the terms and conditions of Bye Laws;

(k) determine with regard to the options, in the event of the cessation of the employment of a grantee if cessation occurs by reason of the events set out in the Bye Laws or in the event of the death of any grantee before any expiry, any acceleration of exercise, as yet unexercised and the time and period at or within such accelerated options may be exercised;

(l) review the manner in which the options are granted to and subsequently exercised by eligible employees from time to time to ensure compliance with the Bye Laws and regulatory requirements; and

(m) perform such other duties and functions as may be requested by the Board for the purpose of administering the employees' share schemes pursuant to the Bye Laws.

Others

4.22 Recommend to the Board, appropriate orientation and education programmes for new Directors on the Board of the Company;

4.23 Assess and evaluate the training needs of the Company's Directors to ensure the Directors kept abreast of regulatory changes, other developments and broad business trends, to enhance the Board members' competencies;

4.24 Review and recommend to the Board, the development and implementation of the relevant policies and procedures in the nomination and remuneration related matters concerning the Group;

4.25 Review and report to the Board the reports/statements within the purview of the NRC for inclusion in the Annual Report; and

4.26 Perform other oversight functions relating to Board matters as requested by the Board.

5. Authority

The Board has authorised the NRC, within the scope of their duties and responsibilities set out under the Terms of Reference herein to:

5.1 Perform the activities required to discharge its responsibilities as prescribed in the LOA of IHH and make recommendations to the Board;

5.2 Select, engage and seek approval from the Board (within the LOA) for fees for professional advisers that the NRC may require to carry out its duties;

5.3 Have full and unrestricted access to information, records, properties and employees of the Group;

5.4 Seek input from the concerned individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration; and

5.5 Have access to the advice and services of the Company Secretary.

6. Employees' share schemes — Reserved Matters of the Board

The following matters shall be reserved for the Board:

6.1 Determine the Group's performance measures and targets associated to each offer;

6.2 Determine any special terms to apply to offers and/or options to grantees who are employed by the Group in jurisdictions outside Malaysia as may be considered necessary or appropriate to accommodate for differences in applicable law, tax, policy or custom and the approval of such supplements to or amendments, restatements or alternate versions of the employees' share schemes;

6.3 Determine the grants of options or units in any employees' share schemes to the Chief Executive Officer of the Company pursuant to the employees' share schemes;

6.4 In the event of any application being made to court for approval of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a plan of arrangement and/or arrangement and reconstruction of the Company under section 366 of the Companies Act 2016 or its amalgamation with any other company or companies under Section 370 of the Companies Act 2016, to determine the terms of the exercise, including the options that are not yet exercisable, the commencement date and the termination date of exercise;

6.5 Amend employees' share schemes and/or the Bye Laws as it deems necessary and expedient provided the following:

(a) any approvals which may be required by Bursa Securities and any other relevant authorities (if applicable), having been obtained;

(b) any amendment which must be approved by the shareholders of the Company in order to comply with the applicable laws, requirements, rules and regulations governing the employees' share schemes in place from time to time ("**Applicable Laws**"), shall not be effective unless and until such approval has been obtained; and

(c) no amendment or alteration of the employees' share schemes and/or the Bye Laws shall be made which would impair the rights of the participant with respect to any outstanding option under the employees' share schemes without the participant's consent;

6.6 Make or provide for such adjustments in the options, the exercise price and/or the number of shares covered by outstanding options (to be made in accordance with the Bye Laws) as the Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of participants that would otherwise result from any of the following events:

(a) the Bye Laws having to comply with the minimum requirements of the Applicable Laws;

(b) share dividend, share split, combination of shares, capitalization, right issue, capital reduction or other change in the capital structure of the Company;

(c) merger, consolidation, separation, reorganisation, partial or complete liquidation; or

(d) other corporate transaction or event having an effect similar to any of the foregoing;

6.7 Determine all other matters relating to or in connection with the employees' share schemes as the Board may in its discretion consider to be necessary or desirable for giving full effect to the employees' share schemes; and

6.8 Determine the employees' share schemes or any incentive plans involving issuance of securities of any entity within the Group (other than the Company) including deliberating and if thought fit approving the issuance of shares or other convertible securities pursuant to such employees' share schemes or any incentive plans to any director, major shareholder or chief executive of such entity.

7. Notice and Meetings

7.1 The NRC shall meet four (4) times each year and at such other time(s) as it deems necessary to fulfill its responsibilities. If a member is unable to be physically present, they may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.

7.2 The Company Secretary, in consultation with the Chairman of the NRC, shall draw up the agenda of the meeting. The agenda, together with the relevant supporting papers, shall be circulated at least five (5) working days prior to each meeting.

7.3 The quorum for the NRC meeting shall be two (2), both of whom must be Independent Directors.

7.4 Each member of the NRC is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the NRC.

7.5 In the event of an equality of votes, the Chairman of the NRC shall not be entitled to a second or casting vote. Such matter would be escalated to the Board for decision.

7.6 A member of the NRC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

7.7 The Chairman of the NRC, or the NRC members with the approval from the Chairman, may invite any person or persons to attend the NRC meetings, but not necessarily for the full duration of the meeting.

8. Communication to the Board and Reports

8.1 The minutes of each NRC meeting shall be tabled to the Board for notation.

8.2 The NRC Chairman shall report on each meeting to the Board regarding all relevant matters and appropriate recommendations, in a written report for noting or approval by the Board.

8.3 The NRC may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

8.4 The NRC will receive and review the relevant reports submitted by Management or external consultants to aid the NRC members in discharging their duties.

9. Circular Resolution

9.1 A resolution in writing signed by a majority of all members of the NRC shall be valid and effectual as if it had been passed at a meeting of the NRC.

9.2 All such resolutions shall be described as "NRC Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book.

9.3 Any such resolution may consist of several documents in the like form, each signed by one (1) or more members.

9.4 The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, email or other forms of electronic communications.

10. Secretariat

10.1 The Company Secretaries of the Company shall be the Secretary of the NRC.

10.2 The Company Secretary will ensure that all the appointment of Directors are properly made, that all necessary information is obtained from Directors as well as compliance to the Applicable Laws and regulations.

10.3 The Company Secretary shall be responsible for preparation of the agenda in consultation with the Chairman, and the distribution to all the members of the papers to be deliberated at the meeting.

11. Committee Ethics and Procedures

11.1 All members will safeguard all internal NRC communications concerning any candidates and treat them as strictly private and confidential, and for the use of NRC members only, without exception.

11.2 The NRC may be required to check references and consult selected third-party sources on a confidential basis before making its final selections. The NRC will work diligently amongst the members of the Board in performing its evaluations.