



HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANagements			Process Owner : MANAGEMENT
Document No.: HOP-MGT-020	Version No.: I0R0	Controlled Copy No.: 0 – Original	Date First Initiated : 25.08.2023
			Effective Date : 25.08.2023

Disclaimer :

Any hardcopy, printed or photocopied, is considered an uncontrolled copy, unless it is an original, signed off version.

Review & Approval

Prepared By	:	Lily Yap	Chief Executive Officer
Reviewed By	:	Dr. Azrina Binti Abu Bakar	Chairman of Nominating Committee
	:	Dr. Chong Su-Lin	Member of Nominating Committee
	:	Mr. Kua Choo Kai	Member of Nominating Committee

Approved By:

Lily Yap

Chief Executive Officer

Document Revision History

Date	Version	Description of Revision
25.08.2023	I1R0	Initial release

HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGERMENTS			Process Owner : MANAGEMENT
Document No.: HOP-MGT-020	Version No.: I0R0	Controlled Copy No.: 0 – Original	Date First Initiated : 25.08.2023
			Effective Date : 25.08.2023

Table of Contents

1.0	PURPOSE	3
2.0	SCOPE	3
3.0	ABBREVIATIONS	3
4.0	DEFINITIONS	4
5.0	PRINCIPLES OF REMUNERATION	4
6.0	STRUCTURE OF REMUNERATION	5
7.0	POLICY OF REMUNERATION	6
8.0	GOVERNANCE OF REMUNERATION	6
9.0	REVIEW OF POLICY AND PROCEDURES	7

HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANagements			Process Owner : MANAGEMENT
Document No.: HOP-MGT-020	Version No.: I0R0	Controlled Copy No.: 0 – Original	Date First Initiated : 25.08.2023
			Effective Date : 25.08.2023

1.0 PURPOSE

- 1.1. This policy seeks to provide clear guide for the purpose of ensuring that the remuneration and compensation package of the Executive Directors (ED), Non-Independent Directors (NID) and Senior Management (“SM”) are reflective of the Group business, complexities, and interest as well as skill and experience required which is aligned to the strategic objectives of the Group and that they are aligned with shareholders’ interest with an appropriate balance between short term and long-term goals.
- 1.2. The policy seeks to set out an overarching framework for the development of a fair and transparent framework for the remuneration of ED, NID and SM.

2.0 SCOPE

- 2.1. The Policy should be read together with the relevant enumerations encapsulated in the following legislations:
 - a) Companies Act 2016.
 - b) Capital Markets and Services Act 2007 (Amendment 2012); and
 - c) ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).
- 2.2. Where there is a conflict between the contents of this Document and the legislations, the relevant remunerations contained in the said legislation shall prevail.
- 2.3. The Policy is also developed in alignment with the Malaysia Code on Corporate Governance (“MCCG”). Where paragraphs in the Policy refer to provisions in legislation or other corporate governance promulgations (e.g., MCCG), they are indicated accordingly in italics.
- 2.4. The Policy will be reviewed periodically by the Remuneration Committee (RC) and be made available on the Company’s website.

3.0 ABBREVIATIONS

- 3.1. ED Executive Directors
- 3.2. NID Non-Independent Directors
- 3.3. SM Senior Management
- 3.4. RC Remuneration Committee
- 3.5. SM Senior Management
- 3.6. BOD Board of Directors
- 3.7. EBITDA Earnings Before Interest, Taxes, Depreciation, and Amortization
- 3.8. PBT Profit Before Tax
- 3.9. KPIs Key Performance Indicators

HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGERMENTS			Process Owner : MANAGEMENT
Document No.: HOP-MGT-020	Version No.: I0R0	Controlled Copy No.: 0 – Original	Date First Initiated : 25.08.2023
			Effective Date : 25.08.2023

4.0 DEFINITIONS

- 4.1. Executive Director - A Director who assumes management responsibilities in Cengild.
- 4.2. Non-Independent Director - A Director who is non-independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of an applicant or a listed issuer. The Director fulfils the independence criteria set out in Rule 1.01 of Listing Requirements.
- 4.3. Major shareholder - A person who has an interest in 10% or more of the total number of voting shares in Cengild.
- 4.4. Senior Management – Group Chief Executive Officer, Chief Executive Officer or equivalent.
- 4.5. Remuneration – All forms of consideration rendered to ED, NID and SM in exchange for the services. This includes but is not limited to fees, meeting allowances, base salary, bonus, and benefits.
- 4.6. Risk appetite – Aggregate level and types of risk Cengild is willing to assume, decided in advance and within its risk capacity, to achieve Cengild’ s business objectives and strategies.
- 4.7. Share option – A right to buy a certain number of Cengild shares at a predetermined price.

5.0 PRINCIPLES OF REMUNERATION

- 5.1. Cengild is guided by the following four (4) principles in determining its approach for the remuneration framework of ED, NID and SM:
 - 5.1.1. **Simple**
The framework should be simple and transparent for all stakeholders to understand.
 - 5.1.2. **Competitive and fair**
Retaining leaders of the necessary calibre requires remuneration arrangements that are competitive in the marketplace. As such, talents are attracted and remunerated fairly by reflecting the appropriate market rates for the skills and experience acquired. Cengild remains cognisant of the need to ensure value for money whilst simultaneously reflecting the status of its Group as a preferred employer within the healthcare industry.
 - 5.1.3. **Performance oriented**
The remuneration packages reward performance which is driven by financial and non-financial Key Performance Indicators (KPIs) aligned with the strategic goals of the Group.

HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGERMENTS			Process Owner : MANAGEMENT
Document No.: HOP-MGT-020	Version No.: I0R0	Controlled Copy No.: 0 – Original	Date First Initiated : 25.08.2023
			Effective Date : 25.08.2023

5.1.4. Aligned with the overall remuneration practices of the Group.

Remuneration structures are aligned to the context of the broader employee remuneration to ensure fair and responsible remuneration practices linked to the performance of the business units and individual performance.

6.0 STRUCTURE OF REMUNERATION

The table below summarises the main components that shall form the remuneration packages of Directors and SM.

Category – Fixed/Variable	Component	Component Description
Fixed	Fees	A fixed fee shall be provided to NID for their ongoing contribution to the Board.
Fixed	Meeting Allowance	A payment shall be made to NID on a per-meeting basis with a condition that attendance (physical or virtual) is a prerequisite for remittance.
Fixed	Base salary	A monthly payment shall be provided to ED and SM personnel for performing their day job.
Fixed	Benefits	Benefits may be provided to increase the economic security of ED and SM personnel and as an incentive to attract and retain talent. The Company provides Directors' and Officers' Liability insurance and may provide an indemnity to the fullest extent permitted by the Companies Act 2016. In addition to statutory contributions, ED and SM may include benefits such as travelling allowance, medical benefits and insurance coverage, amongst others, which will be provided based on human resource policy in the context of market practices from time to time.
Variable	Bonus	Annual bonus will be paid to reward, retain, and motivate the individual and will depend on the performance of the Company and the personal contribution of the individual to the achievement of those results.

In addition, expenses (e.g., entertainment and travel expenses) incurred by ED and SM in discharging their duties relating to the ordinary course of Cengild' s business activities shall be reimbursed accordingly upon approval in accordance with the Company's, Limits of Authority. All reimbursements must be accompanied with the claimable receipts for processing on a timely basis.

HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGERMENTS			Process Owner : MANAGEMENT
Document No.:	Version No.:	Controlled Copy No.:	Date First Initiated : 25.08.2023
HOP-MGT-020	I0R0	0 – Original	Effective Date : 25.08.2023

7.0 POLICY OF REMUNERATION

- 7.1. NID's fixed fee shall be determined on the basis of their qualification, experience, level of responsibility and competence, having regard to their experience, time commitment and annual evaluation.
- 7.2. Cengild's policy for ED, and SM personnel's remuneration is to ensure that the level of remuneration is generally competitive to attract, retain and motivate Executives of the highest calibre to competently manage the Group.
- 7.3. The component parts of the remuneration shall therefore be structured to link the remuneration package with corporate and individual performance and consider similar packages at comparable companies (of similar size and complexity to the Company locally; and in the same industry in the region).
- 7.4. The performance of ED and SM is measured based on the achievements of their annual KPIs (both qualitative and quantitative KPIs). The weightage of the qualitative and quantitative targets may be adjusted to accommodate Cengild's aspirations.

Nature Examples

Quantitative	A matrix of Revenue, EBITDA and PBT growth on a consolidated basis and other relative performance indicators
Qualitative	Strategic milestones and initiatives that need to be achieved and implemented on areas such as compliance and quality, operations, human capital development, projects and corporate development.

- 7.5. The evaluation on the achievement of each of the KPIs by ED and SM against an agreed performance standard is reviewed by the RC and BOD. The rewards accorded to ED and SM for their achievement of the respective KPIs shall comprise annual bonus and increment to their base salaries.

8.0 GOVERNANCE OF REMUNERATION

- 8.1. The RC shall assist the BOD in implementing the Policy on the remuneration packages for ED and SM of the Company.
- 8.2. The RC shall develop and administer fair and transparent procedures for setting policy on remuneration so as to ensure that remuneration packages are determined on the bases of personnel merit, qualification and competence having regard to the Group's operating results and individual performance.
- 8.3. The evaluation of remuneration packages (including annual increment to the base salary) of the SM shall be reviewed by the Chairman of the Board. Whereas, for Directors who hold an Executive office

HOSPITAL POLICY			
Document Title : REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGERMENTS			Process Owner : MANAGEMENT
Document No.: HOP-MGT-020	Version No.: I0R0	Controlled Copy No.: 0 – Original	Date First Initiated : 25.08.2023
			Effective Date : 25.08.2023

in the Company (including the Managing Director), their remuneration packages (including annual increment to the base salary) shall be reviewed and evaluated by RC and then tabled to the BOD for consideration.

- 8.4. ED, Non-Independent ED and/or SM of the Company may be accorded with Directors and Officers liability insurance in respect of any liability (civil or criminal) arising while discharging their duties provided that such liabilities were occasioned in good faith and not because of negligence, default or breach of duty. The premium paid for such insurance shall be borne by the Company and do not form part of the benefits given to the ED and/or SM of the Company as part of their remuneration packages.
- 8.5. The fees and/or benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of the Company shall be approved at the general meeting pursuant to the Companies Act 2016.
- 8.6. A general mandate of shareholders may be sought for the approval of Directors fee and benefit payable. The resolution contained in the notice seeking shareholders' approval for Directors' fee and benefits payable would include a quantitative breakdown of remuneration components and the corresponding period for which approval is sought.

9.0 REVIEW OF POLICY AND PROCEDURES

- 9.1. This Policy and Procedures has been endorsed by the Board, upon recommendation by the RC.
- 9.2. The RC, with the support of the Company Secretary, shall ensure that the provisions of this Policy and Procedures continue to comply with the legal requirements and corporate governance requirements and, if necessary, shall suggest amendments to this Policy and Procedures for consideration by BOD.