

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

(Incorporated in Malaysia)

BOARD'S PROCEDURES FOR APPOINTMENT OF DIRECTORS

1. Introduction

The Board of Directors ("Board") of HAILY GROUP BERHAD ("Haily" or "the Company") is committed to upholding high standards of governance in respect of new appointments to the Board to ensure that the Directors of the Company ("Directors") conform with the Company's Fit and Proper Person Policy and comprised of those, who have the necessary skills, competencies, commitment, character, integrity and experience to complement the efficiency and effectiveness of the Board as a whole.

2. Responsibility and Structure

2.1. The Board's Nominating Committee ("NC") is entrusted with the responsibility to review, propose and recommend the appointment of potential new Directors after taking into consideration the current and future needs of the Company.

2.2. The NC which is responsible for reviewing the effectiveness of the Board as a whole, the Board Committees, the contributions of the individual Directors and the independence of the Independent Directors of the Company ("Independent Directors"), will where appropriate, make its recommendations to the Board on the need to increase the Board size, composition, necessary skills, calibre and experience required and where available the potential candidates for appointment.

3. Sources of Potential Candidates

3.1. The NC will where practical, maintain a database of potential candidates.

3.2. Potential candidates can be sourced from

- existing Directors and substantial shareholders of the Company;
- existing senior management of the Company;
- professional bodies and organisations;
- business associates, shareholders; and
- others.

4. Recruitment Process

Upon a decision being made by the Board to appoint Directors:

- a) The NC will identify suitable candidates from its available database or sources maintained taking into consideration the required skills, competencies, experience, Company's Fit and Proper Person Policy and such other parameters as may be determined by the Board.

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- b) The chairman of the NC, Chief Executive Officer (“CEO”) and/or Executive Directors of the Company (“Executive Directors”) will meet with the identified candidates to assess/reassess their suitability for appointment.
- c) The identified candidate if cleared by the NC will then be recommended to the Board for an appointment.
- d) Prior to their appointment, the identified candidates will be invited to an introductory meeting with the Board, for the Board to assess and evaluate such candidates.
- e) Subsequent or further meetings with the candidates may be arranged to the satisfaction of the Board, should the need arise.
- f) The discretion to accept or reject a candidate rests with the Board.

This Board's Procedures for Appointment of Directors was approved and adopted by the Board on 2 September 2020.

This Board's Procedures for Appointment of Directors was last reviewed and approved by the Board on 23 February 2022.