

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

(Incorporated in Malaysia)

FIT AND PROPER PERSON POLICY

1. INTRODUCTION

Rule 15.01A of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) requires all listed issuers to: -

- (a) have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries;
- (b) ensure the policy addresses board quality and integrity and will aid the listed corporation to comply with Rule 2.20A of the ACE LR; and
- (c) make available the policy on its website.

To ensure that the Board’s quality and integrity is maintained and up to expectations, the Board and Nominating Committee has adopted this Fit and Proper Person Policy (“this Policy”) to serve as guidance for the appointment, re-election of Directors and the appointment of key management personnel to carry out their responsibilities with full competence, character, diligence, integrity and judgement.

The main objective of this Policy is to ensure that Haily Group Berhad (“Haily” or “the Company”) and its subsidiaries (collectively referred to as “the Group”) is led by persons of integrity, credibility and competency.

This Policy was adopted after taking into consideration of the guidance contained in Bursa Securities Corporate Governance Guide 4th edition and is to be read together with the Terms of Reference of Nominating Committee (“NC”) and the Board’s Procedures for Appointment of Directors adopted by the Company.

2. KEY MANAGEMENT PERSONNEL

For the purpose of this policy, “Key Management Personnel” refer to the persons that are responsible for the management or oversight of the Group, which includes: -

- a. Directors;
- b. C-level employees such as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer; and
- c. Senior Management personnel, by whatever name called and identified by the CEO, who perform a senior management function whose primary or significant responsibility is for the management and performance of significant activities of the Company.

3. FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper to hold a Key Management Personnel position, the Company shall have regard to the person’s: -

- (a) **Character and integrity**
Person should possess personal qualities such as probity, personal integrity, financial integrity and reputation.
- (b) **Experience and competence**
Person should have the necessary qualifications, training and skills, possesses relevant experience and expertise and relevant past performance or track record
- (c) **Time and commitment**
Person should have the ability and commitment to carry out the role

Any person, before being appointed as a Key Management Personnel, must be assessed to have met all the fit and proper criteria and made a declaration as set out in Appendix 1 of this policy.

4. ASSESSMENT CRITERIA

4.1 Character and integrity

In assessing a person's level of probity, integrity and reputation, the Board of Directors of Haily ("the Board") and NC shall consider criteria which include, but not limited to the following: -

- (i) Probity
 - is compliant with legal obligations, regulatory requirements and professional standards
 - has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
- (ii) Personal integrity
 - has not perpetrated or participated in any business practices which are deceitful, corrupt, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct
 - service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity
 - has not abused his positions held in the company or other positions held (eg. political appointment or public office etc) to facilitate his affairs or affairs of the company nor relations with the government on behalf of the company for the company in a manner that contravenes the principles of good governance
- (iii) Financial integrity
 - manages personal debts or financial affairs satisfactorily
 - demonstrates ability to fulfil personal financial obligations as and when they fall due
- (iv) Reputation
 - is of good repute in the financial and business community

- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned or attributed in part to deficiencies in that person's integrity and management capabilities.

4.2 Experience and competence

In assessing a person's competence and capability, the Board and NC shall consider criteria which include, but are not limited to the following: -

- (i) **Qualifications, training and skills**
 - possesses education qualification that is relevant to the skill set that the person is earmarked to bring to bear onto the Group (i.e. a match to the Director, C-level of senior management skill set matrix)
 - has a considerable understanding on the workings of a corporation
 - possesses general management skills as well as understanding of corporate governance and sustainability issues
 - keeps knowledge current based on continuous professional development
 - possesses leadership capabilities and a high level of emotional intelligence
- (ii) **Relevant experience and expertise**
 - possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities
- (iii) **Relevant past performance or track record for the position of Director**
 - had a career of occupying a high level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
 - possesses commendable past performance record as gathered from the results of the board effectiveness evaluation

4.3 Time and commitment

- (i) **Ability to discharge role having regard to other commitments**
 - for the position of director, able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations).
- (ii) **Participation and contribution in the board or track record**
 - demonstrates willingness to participate actively in board activities

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

- FIT AND PROPER POLICY

- demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom or organisation
- manifests passion in the vocation of a director or senior management
- exhibits ability to articulate views independently, objectively and constructively
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others

5. REVIEW OF THE POLICY

The Board reserves the right to review this Policy periodically to assess their effectiveness, and in any event, to maintain the compliance with applicable laws and regulations or accommodate organization changes within the Group.

This Fit and Proper Person Policy was approved and adopted by the Board on 23 February 2022.

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*(Incorporated in Malaysia)***DECLARATION FORM FOR KEY MANAGEMENT PERSONNEL**

I, _____ (NRIC No. _____) of

do hereby solemnly affirm and declare the following :-

*(Please tick (✓) whichever applicable)***Probity, Personal Integrity and Reputation**

1.	I have not been the subject of any proceedings of a disciplinary or criminal nature, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings.	
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.	
3.	I have not contravened any of the requirements and standards of a regulatory or professional body, government or its agencies.	
4.	I, or any business in which I have a controlling interest or exercises significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.	
5.	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct.	
6.	I have not been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position due to any issue in relation to my honesty and integrity.	
7.	I have not been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated.	

8.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business.	
9.	I have not been a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the license of which has been revoked under any written law.	
10.	I have not in the past acted unfairly or dishonestly in the dealings with customers, employer, auditors and regulatory authorities.	
11.	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities, which in turn resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations.	
12.	I have not at any time shown strong objection or lack of willingness to maintain effective internal control systems and risk management practices.	
13.	I have not contributed significantly to the failure of an organisation or a business unit.	
14.	I am not involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a Key Management Personnel which could be disadvantageous to the Company or the interest of the Company.	

Financial Integrity

1.	I have been and will be able to fulfil my financial obligations, whether within or outside Malaysia, as and when they fall due.	
2.	I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether within or outside Malaysia.	

Note:

Kindly elaborate by way of a separate attachment in respect of those boxes which are not ticked.

Signed by:

(Signature of Key Management Personnel)

Name :

Date :