

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

(Incorporated in Malaysia)

DIVERSITY POLICY

1. INTRODUCTION

HAILY GROUP BERHAD (“HGB” or “the Company”) and its subsidiaries (collectively referred to as “the Group”) believes in diversity, respects, values and the benefits that diversity can bring to its Board of Directors (“the Board”). Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and better corporate governance.

Practice 4.5 of the Malaysian Code on Corporate Governance (“MCCG”) recommends that the Board should establish a policy formalising its approach to gender diversity and measures to be undertaken to meet such an approach. The Company is committed to and recognizes the benefit of gender-diversity. To the extent practicable, the Company will address the recommendations and commentary provided in the MCCG.

The Board’s approach to diversity is set out below and will be overseen by the Nominating Committee (“NC”) which will take steps to ensure that diversity and in particular, women candidates are sought as part of its recruitment exercise.

2. OBJECTIVES

This Diversity Policy (“Policy”) provides a framework for the Group to achieve:

- a) a diverse Board and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all stakeholders;
- c) an organisational culture that tolerates differences by developing and offering work arrangements that help to meet the needs of a diverse workforce.
- d) improved employment and career development opportunities for women;
- e) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improving awareness of the benefits of workforce diversity and successful management of diversity; and
- f) awareness in all staff of their rights and responsibilities with regards to fairness, equality and respect for all aspects of diversity.

The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The Board’s collective skills and backgrounds, should reflect the diverse nature of the Company’s business environment. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender, marital status, ethnicity and aboriginal status.

3. RESPONSIBILITIES

3.1. The Board's commitment

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women in the composition of the Board and management of the Company. As such, the Board will establish measurable objectives for the Company.

The Board, assisted by management, is responsible for developing strategies to meet the objectives of this Policy, monitoring the progress of achieving the objectives through the measures, monitoring, evaluation and reporting mechanisms as listed in Section 4, 5 and 6 below.

The Board, through NC, will conduct all Board appointment processes in a manner that promotes diversity and in particular, gender diversity. The Board recognises the value of having women members on the Board. Where possible, the Board shall ensure that women candidates are recruited as Board members and senior management positions, to meet the objectives of the boardroom diversity as recommended under the MCCG.

3.2. Strategies

The Group's diversity strategies include:

- a) recruiting from a diverse pool of candidates;
- b) reviewing succession plans to ensure that diversity is prioritised;
- c) identifying specific factors to take into account the recruitment and selection processes to encourage diversity;
- d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- e) any other strategies the Board develops, from time to time.

4. MEASURES

To pursue the objectives of diversity, the Board would take into consideration the following measures:

- a) The NC is responsible in ensuring that gender diversity objectives in particular, gender diversity are adopted in the Board's recruitment and succession planning processes;
- b) The NC shall shortlist potential candidates based on the following criteria:-
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity; and

- in the case of the candidates for the position of Independent Non-Executive Directors (“INED”) of the Company, the NC would also evaluate the candidates’ ability to discharge such responsibilities/functions as expected from an INED.
- c) the Company shall adopt a more accommodating boardroom culture and environment that is free from harassments and discriminations, in order to attract and retain women participation on the Board and management of the Company;
- d) to avoid mismatch and ineffective appointment of the female Directors, the Company has adopted a policy of, at least one (1) member of the Board shall be of the female gender and will actively work towards having more female Directors on the Board; and
- e) the Company shall avoid practices that discriminate one’s amongst others, gender, marital status, race, nationality, ethnicity or age.

The Company is committed to a merit-based system for the Board’s composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing the Board’s composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

5. MONITORING AND EVALUATION

The Board, through NC, will monitor the scope and applicability of this policy, from time to time. The management is responsible for implementing, monitoring and reporting on the progress of achieving the objectives as stated above. The management and employees have responsibility for understanding and adhering to the terms of this policy.

6. REPORTING

The Company will disclose in its annual report, this Policy and the proportion of women participation at the Board level in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad with regards to the corporate governance disclosure.

This Diversity Policy was adopted by the Board on 2 September 2020.