



XL HOLDINGS BERHAD

(199801012014(468142-U))

(Formally known as Xian Leng Holdings Berhad)

REMUNERATION POLICY AND PROCEDURE

PURPOSE

The purpose of this Remuneration Policy is to outline the principles, criteria, and procedures for determining and administering the remuneration of the Board of Directors, senior management, and key employees of XL Holdings Berhad. This policy aims to attract, retain, and motivate individuals with the necessary skills and experience to achieve the company's objectives.

SCOPE

This policy applies to all directors, senior management, and key employees of XL Holdings Berhad

REMUNERATION PRINCIPLES

The company's remuneration approach is based on the following principles:

- Ensure that remuneration is fair, competitive, and aligned with the level of responsibility, performance, and contribution of each individual.
- Link remuneration to the performance of the company and the individual, promoting the achievement of both short-term and long-term strategic objectives.
- Maintain a clear and transparent process for determining and reviewing remuneration.
- Ensure that the remuneration practices comply with applicable laws, regulations, and best practices, including the MCCG.
- Ensure that the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

FUNCTION OF REMUNERATION COMMITTEE

- (i) **Remuneration Policy**
Develop and recommend to the Board the company's remuneration policy for directors, senior management, and key employees.
- (ii) **Review of Remuneration Packages**
Annually review and approve the remuneration packages, including base salary, bonuses, incentives, and other benefits for directors and senior management.



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FUNCTION OF REMUNERATION COMMITTEE (CONT'D)

- (iii) **Performance Evaluation**
Oversee the evaluation of the performance of directors and senior management in connection with the determination of their remuneration.
- (iv) **Disclosure**
Ensure that appropriate disclosure of directors' and senior management remuneration is made in the annual report, in compliance with statutory requirements and best practices.
- (v) **Succession Planning**
Provide input on senior management succession planning and ensure alignment with remuneration policies.
- (vi) **Compliance**
Ensure compliance with all relevant legal and regulatory requirements related to remuneration, including those set forth in the Malaysian Code on Corporate Governance (MCCG).

COMPONENTS OF REMUNERATION

The remuneration of directors and senior management may consist of the following components:

- (i) **Fixed Salary** - A base salary that reflects the individual's skills, responsibilities, and experience.
- (ii) **Performance-Based Incentives** - Bonuses or other forms of variable compensation based on the achievement of predefined performance targets. These targets may include financial, operational, and strategic goals.
- (iii) **Benefits** - A range of benefits that may include health insurance, retirement plans, company car, and other perks in line with market practices.
- (iv) **Directors' Fees** - A fixed fee for non-executive directors in recognition of their role and responsibilities.



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DETERMINATION OF REMUNERATION

(I) Director

Executive Directors:

CEO and Executive Directors shall be entitled to the same benefits as other employee of the Company, as well as any additional benefits as approved by the Board.

Non-Executive Directors:

Non-executive directors' fees are recommended by the Remuneration Committee and approved by shareholders at the Annual General Meeting (AGM).

The Remuneration Committee shall also take into consideration remuneration and director fees paid to directors of other similar companies, whether in size and/or industry. This is to ensure it commensurate with the scope of responsibilities held.

(II) Senior Management:

The Remuneration Committee reviews and recommends the remuneration packages of senior management, taking into account individual performance, the performance of the company, and market benchmarks.

PERFORMANCE EVALUATION

The remuneration packages of directors and senior management are reviewed annually to ensure they remain competitive and aligned with the company's performance

Directors - The performance of the directors is evaluated annually by the Board. This evaluation considers the individual director's contribution to the Board's effectiveness and the company's performance.

Senior Management - The performance of senior management is evaluated annually by the CEO. This evaluation is based on the achievement of agreed-upon performance targets.

REVIEW AND DISCLOSURE

The company will disclose the remuneration of directors and senior management in its annual report, in accordance with the regulatory requirements, including the MCCG, to ensure transparency to shareholders.

This policy shall be reviewed annually by the Remuneration Committee and any changes recommended shall be submitted to the Board for approval.

Approved at Board of Director meeting on 16 August 2024