

## **1. Introduction**

**1.1** To ensure that directors possess the character, experience, integrity, competence and time to effectively discharge their respective roles, the Board of Directors (“the **Board**”) of XL Holdings Berhad (“**XL**” or the “**Company**”) has formalise and internalise clear parameters on the selection process of directors and senior management personnel. The Board shall demonstrate a clear commitment to developing a corporate culture that thrives on objectivity, transparency, meritocracy and diversity.

## **2. Purpose**

**2.1** The Directors' Fit and Proper Policy (“**Policy**”) is formulated pursuant to the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad and is approved by the Board.

**2.2** The Policy shall serve to guide the Nomination and Remuneration Committee (“**NRC**”) and the Board in their review and assessment of the fitness and propriety of persons who hold, or who are to be appointed or elected as Directors of XL (“**Directors**”).

## **3. Directors' Fit and Proper Criteria**

**3.1** Firstly, any person to be appointed as a Director or to continue holding the position as a Director within XL and its group of companies (the “**Group**”) must not be disqualified or deemed to be disqualified or vacated his/her office under the Companies Act 2016, MMLR and/or others relevant rules and regulations.

**3.2** In assessing a person's fitness and propriety, the Board through its NRC, shall consider all relevant factors based on the following overarching criteria:

### **3.2.1 Character and integrity**

#### **i) Probity**

- He/She is compliant with legal obligations, regulatory requirements and professional standards, where applicable.
- He/She has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

#### **ii) Personal integrity**

- He/She has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct.
- His/Her previous service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.

- He/She has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.
- iii) Financial integrity
- He/She manages personal debts or financial affairs satisfactorily.
  - He/She demonstrates ability to fulfil personal financial obligations as and when they fall due.
- iv) Reputation
- He/She is of good repute in the financial and business community.
  - He/She has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past ten (10) years.
  - He/She has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

### 3.2.2 Experience and competence

- i) Qualifications, training and skills
- He/She possesses education qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
  - He/She has a considerable understanding on the workings of a corporation.
  - He/She possesses general management skills as well as understanding of corporate governance and sustainability issues.
  - He/She keeps knowledge current based on continuous professional development.
  - He/She possesses leadership capabilities.
- ii) Relevant experience and expertise
- He/She 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

- He/She 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.
- He/She possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

### 3.2.3 Time and commitment

#### iv) Ability to discharge role having regard to other commitments

- He/She is 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).

#### v) Participation and contribution in the Board or track record

- He/She demonstrates willingness to participate actively in board activities.
- He/She demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- He/She manifests passion in the vocation of a director.
- He/She exhibits ability to articulate views independently, objectively and constructively.
- He/She exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

- 3.3 A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the Group shall be required to make the fit and proper declaration in the form as set out in appendix I of this Policy or in such form as the NRC may from time to time prescribed or approve.

**XL HOLDINGS BERHAD**  
**Registration No. 199801012014 (468142-U)**

APPENDIX I

**DIRECTORS' DECLARATION OF FIT AND PROPER**

I, (*full name*) ..... (NRIC No. / Passport No. ....) do hereby solemnly affirm and declare the following:

No.	Criteria	YES	NO
<b>Probity, Personal Integrity and Reputation</b>			
1.	Whether you are or have been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings		
2.	Whether you have 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.	Whether you have contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies.		
4.	Whether you or any business in which you have a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.		
5.	Whether you have been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on your professional conduct.		
6.	Whether you have been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about your honesty and integrity.		
7.	Whether you have been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a licence to conduct any trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated.		
8.	Whether you have held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while you were connected with that business.		
9.	Whether you have 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 licence of which has been revoked under any written law.		
10.	Whether, in the past, you have acted unfairly or dishonestly in your dealings with your customers, employer, auditors and regulatory authorities.		

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No.	Criteria	YES	NO
11.	Whether you have at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations.		
12.	Whether you have contributed significantly to the failure of an organisation or a business unit.		
13.	Whether you have at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices.		
14.	Whether you are involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of your judgement when acting in the capacity of a key responsible person which would be disadvantageous to XL and its subsidiaries' interest.		
<b>Financial Integrity</b>			
15.	Whether you have been unable to and/or will not be able to fulfil your financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
16.	Whether you have been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	Whether you have made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

<b>Explanation for item(s) ticked 'YES'</b>	
No.	Explanation

.....

(Signature)

Name:

Date: