

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7293  
**COMPANY NAME** : YINSON HOLDINGS BERHAD  
**FINANCIAL YEAR** : January 31, 2019

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") is collectively responsible for the proper stewardship of the Company's and its subsidiaries' ("Group") business and the creation of long term shareholder value, while taking into account the interest of other stakeholders. In order to ensure the effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to various committees, namely Audit Committee, Board Risk Management Committee, Nominating and Remuneration Committee and Employees' Share Scheme Committee (collectively referred to as "Board Committees"). The function, roles and responsibilities of the Board Committees, as well as the authorities delegated by the Board are clearly defined in the respective terms of reference, which are reviewed and updated as and when necessary.</p> <p>The key responsibilities of the Board as per the Board Charter are as follows:</p> <ul style="list-style-type: none"><li>• reviews and adopts a strategic plan, as developed by Management, taking into account the sustainability of the businesses of the Group, with attention given to the environmental, economic, social and governance ("ESG") aspects of the operations;</li><li>• oversees the conduct of the Group's businesses, including monitoring Management's performance to determine whether the business is being properly managed;</li><li>• identifies principal business risks faced by the Group and ensures the implementation of appropriate internal controls and mitigating measures to manage such risks;</li><li>• succession planning – ensures that all candidates appointed to Board and Senior Management positions are of sufficient calibre and that there are programs deployed to provide for the orderly succession of members of the Board and Senior Management;</li><li>• oversees the development and implementation of an Investor</li></ul>

	<p>Relations Program or Stakeholder Communication Policy;</p> <ul style="list-style-type: none"> <li>• reviews the adequacy and integrity of the Group’s management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and</li> <li>• ensures the integrity of the Group’s financial and non-financial reporting.</li> </ul> <p>The Board, in discharging its responsibilities in meeting the goals and objectives of the Company, had during the financial year under review, performed the following:</p> <p><b>Together with the Senior Management, promoted good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.</b></p> <p>The Company has reviewed and approved policies and procedures which promote good corporate governance culture within the company including but not limited to Limit of Authority (“LOA”), Anti-Bribery and Anti-Corruption Policy, Enterprise Risk Management Policy Statement and Framework, Funding Policy, Insider Trading Policy and Procedure, Investment Policy, Remuneration Policy and Procedure, Stakeholder Communication Policy and Procedure, Sustainability Policy, Diversity Policy and Succession Planning Policy. The Company has set its core values namely Reliable, Open, Adaptable, Decisive and Sustainable (“ROADS”) and organised Group-wide workshops to instil ROADS to its employees. The ROADS value system is designed to empower employees at all levels to think and make decisions that will align towards achieving the Group’s Vision and Mission. Various aspects of the Company are covered to reinforce ethical, prudent and professional behaviour within the Group.</p> <p><b>Review and approve various proposals presented by Management, followed by supervision and assessment of Management’s performance in said proposals and overall management of the Group’s businesses.</b></p> <p>The Group adopted a three-year Strategic Business Plan and Annual Operating Budget (“Business Plans”), prepared by the respective Heads of Business Divisions/Units (“HOD”), both local and overseas. The Business Plans were presented to the Board and Management Committee for review, approval and adoption at the beginning of the financial year. Business Plans for financial years ending 31 January 2020-2022 were approved on 29 January 2019.</p> <p>The Board deliberated on and discussed all major business proposals, according to the LOA, tabled by the Management, with justification and decision points clearly recorded in the minutes of meetings. The Board received regular status reports, updates and briefings by the Management on ongoing projects within the Group. The regular status</p>
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updates allowed the Board to evaluate and make informed and timely decisions for the benefit of the Group.

**Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability**

The Sustainability Committee was established, with members comprising Senior Management team. The Sustainability Committee supports and advises the Board in relation to embedding sustainability principles and practices throughout the Group's overall business strategies, policies, processes and practices to ensure the continuity of the Group. The Sustainability Committee is formally constituted with written terms of reference.

The Sustainability Policy, which is approved by the Board in January 2018, establishes clear sustainable development objectives and guidelines for the Group in every aspect of business, from strategic decisions being made down to day-to-day operations in the respective regions. The Group believes that long-term shareholder value can be enhanced through the Group giving due regard to the environmental, economic, social and governance aspects.

**Ensure there is a sound framework for internal controls and risk management**

The Board acknowledges its responsibility towards maintaining an effective risk management and internal control system to safeguard shareholders' investments and the Group's assets. The Board is responsible for reviewing the adequacy and effectiveness of the Group's current risk management and internal control system to ensure that the system remains relevant and applicable for the Group.

The Board, led by our vision of leading the Company to a greater height, had approved the appointment of professional advisers, namely Axcelasia Columbus Sdn Bhd to enhance the enterprise risk management of the Group, and Ernst & Young Advisory Services Sdn Bhd as joint Internal Audit with the existing Internal Audit team of the Company. Various initiatives and proposals took place in year 2018 for the improvement of the internal controls and risk management of the Group.

**Understand the principal risks of the Company's business and recognised that business decisions involve the taking of appropriate risk**

The Board has overall responsibility for risk oversight management of the Group, while The Board Risk Management Committee and the Management Committee cum Risk Management Committee play the main roles in the direction and oversight of the Group's risk management framework and policies. The Risk Management Committee reports risk matters to the Board through the Board Risk Management Committee. The principal risks are identified through the

	<p>risk profiling of the Group, performed and considered by the Board Risk Management Committee.</p> <p><b>Set the risk appetite within which the board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risks</b></p> <p>The Board has implemented an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and strategies throughout the period. The Board via the Board Risk Management Committee has identified top five (5) risks of the Group and the key risk indicators and action plans were in place and constant monitoring by the Risk Management Department to mitigate the risk.</p> <p>The Board via the Board Risk Management Committee has also set the Corporate Risk Profile and the Crisis Management Plan of the Group.</p> <p><b>Ensure that Senior Management has necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management</b></p> <p>The Board relies on a strong executive management team of individuals, forming the Management Committee of the Group, who possess rich industry experience to lead and manage the business of the Group on an overall basis. The Board has formalised the Succession Planning Policy and Procedure for Board and Senior Management in January 2018. The Human Resource Department is in the midst of formulating a more comprehensive succession plan to ensure there are programs deployed to provide for the orderly management transition for upward or lateral movement and strategic continuity for every critical position in the Group.</p> <p><b>Ensure that the Company has in place procedures to enable effective communication with stakeholders</b></p> <p>The Board has adopted a new Stakeholder Communication Policy and Procedure in January 2018 which provides guidance to ensure a full, fair and timely disclosure of relevant information which are consistent and accurate on a broad and non-exclusive basis.</p> <p><b>Ensure the integrity of the Company's financial and non-financial reporting</b></p> <p>The Board via Audit Committee constantly ensures that there is a sound framework on corporate reporting, including financial and non-financial reporting, disclosures on corporate governance, sustainability and other non-financial aspects.</p>
<p><b>Explanation for departure</b></p>	<p>: -</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Board is Mr Lim Han Weng. As an Executive Chairman of the Board, Mr Lim Han Weng provides overall effective leadership to the Board and continues driving the Group's directions and overall performance. His key responsibilities are clearly defined in the Board Charter, which are available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a> .  Despite being an Executive Chairman, the Board is satisfied that Mr Lim Han Weng has continued to discharge his duties effectively and has shown tremendous commitment, playing an integral role in the stewardship of the Group.	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.3**

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairmanship is held by Mr Lim Han Weng and the Group Chief Executive Officer role is held by Mr Lim Chern Yuan. Their key roles and responsibilities are clearly defined in the Board Charter, which is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a> . Mr Lim Chern Yuan focuses primarily on formulation and implementation of the Group's business strategies, oversees the implementation of policies and decision adopted by the Board as well as supervises the day-to-day management, operations and business development of the Group.
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-



### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board is assisted by qualified and competent Company Secretaries whose appointments and removals are determined by the Board. The roles and responsibilities of the Company Secretaries are clearly defined in the Board Charter. The Company Secretaries provide updates and advice on statutory and regulatory requirements, and the resulting implications of any changes therein to the Company and directors in relation to their duties and responsibilities.  The Company Secretaries organise and attend all Board and Board Committees meetings and ensure accurate and proper records of the proceedings and resolutions passed are maintained. The Company Secretaries constantly keep abreast of regulatory changes and developments in corporate governance through attending trainings and conferences.	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Directors are supplied with relevant information and reports on financial, operational, corporate regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.</p> <p>Meetings of the Board and Board Committees are scheduled in advance prior to each new calendar year to enable Board members to pre-plan and coordinate the timing of each member.</p> <p>The practice of disseminating Board and Board Committees meeting papers via email and hardcopies has been revamped via a paperless meeting solution. Meeting notices and papers are now uploaded onto the aforesaid digital meeting software and disseminated to Board and Board Committees' members at least seven (7) days prior to the respective meetings which allows Directors to have direct access anytime and anywhere. This enables Directors to have sufficient time to review, consider and prepare for the meetings. The deliberations and decisions of the Board are properly recorded in the minutes and circulated to the Board and attendees for proper meeting recording in a timely manner. The Board has direct access to the Senior Management and Company Secretaries and may obtain independent professional advice, if necessary, in accordance with established procedures set out in the Board Charter.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website.

The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A clear demarcation of responsibilities between the Board, Board Committees and Management are defined in the Board Charter. The Board Charter was reviewed in May 2018 and uploaded onto the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>The Board Charter spells out the governance structure, authority and reserved matters for the Board whilst the respective Board Committees and Management-level Committees roles and responsibilities are described in their respective terms of reference.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>The Group's Core Values</b></p> <p>The Group's corporate culture is embedded in its core values of reliable, open, adaptable, decisive and sustainable to achieve the Group's vision and mission.</p> <p><b>Code of Conduct and Business Ethics</b></p> <p>The Board adopted a new Code of Conduct and Business Ethics ("Code") in September 2018 which superseded the Code of Ethics of the Group adopted in August 2016. The Code defines the foundation and expectations in relation to the Company's ethical standards and personal conduct. The Code, which includes other references such as the Anti-Bribery and Anti-Corruption Policy and Manual, the Anti-Money Laundering Policy and the Whistleblowing Policy and Procedure of the Group, aims to guide employees and the Board on the approach to promote good corporate behaviour as well as resolve ethical dilemmas at work by:</p> <ul style="list-style-type: none"><li>• upholding the highest ethical standards of business conduct;</li><li>• encouraging ethical decision-making and rewarding integrity;</li><li>• being a role model and leading by example;</li><li>• ensuring that all personnel are given the opportunity and guidance to understand the Anti-Bribery and Anti-Corruption Policy and other applicable policies;</li><li>• creating a positive and transparent environment where personnel are comfortable raising questions and concerns; and</li><li>• ensuring those who raise genuine concerns do not suffer retaliation.</li></ul> <p>The Board recognises the importance of adhering to the Code and has taken measures to put in place a process to ensure its compliance. The areas covered are as follows:</p>

	<ul style="list-style-type: none"> <li>• Work environment;</li> <li>• Health and safety environment;</li> <li>• Anti-Bribery and Anti-Corruption;</li> <li>• Anti-Money Laundering;</li> <li>• Competition laws and regulations;</li> <li>• Intellectual property and proprietary information;</li> <li>• Insider trading;</li> <li>• Email, internet and information systems;</li> <li>• Managing internal and external communication; and</li> <li>• Company resources.</li> </ul> <p>The personnel, notably the members of the Board and employees, constantly observe the Code and uphold integrity to exercise good judgement when carrying out their duties. The Code is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p>
<b>Explanation for departure</b>	: -
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: -
<b>Timeframe</b>	: -

**Intended Outcome**

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

**Practice 3.2**

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Whistleblowing Policy and Procedure was revamped in June 2018 to facilitate the disclosure of any improper conduct (wrongdoings or criminal offences) within the Group. Whistleblowers who have concerns about suspected wrongdoings or misconduct are encouraged to come forward and express these concerns without fear of unfair treatment or reprisal. The Whistleblowing Policy and Procedure also provides guidance on who can, what to, when to and how to disclose. The Company provides assurance of protection for genuine whistleblowers. The Whistleblowing Policy and Procedure is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a> .	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	-
<b>Explanation for departure</b>	:	<p>The Board currently comprises eight (8) members of whom three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors and three (3) are Independent Non-Executive Directors. The independence composition of the Board is 37.5% and two (2) out of eight (8) Directors are women.</p> <p>The Board believes an appropriate balance and mix of skills, knowledge, experience, background and gender ensure the effectiveness of the Board. In October 2018, Datuk Abdullah bin Karim was appointed as Independent Non-Executive Director in place of Datuk Syed Zaid bin Syed Jaffar Albar. At the same time, Dato' Wee Hoe Soon @ Gooi Hoe Soon was re-designated as Senior Independent Non-Executive Director of the Company. The tenures of the other two (2) Independent Directors, namely Dato' Wee Hoe Soon @ Gooi Hoe Soon and Datuk Raja Zaharaton binti Raja Zainal Abidin are less than three years. The profiles of the Directors and Board diversity charts are provided on pages 70 to 73 of the 2019 Annual Report.</p> <p>Despite being qualified as an Independent Non-Executive Director pursuant to Practise Note 13 Clause 3.2 of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the nominee director of Employees Provident Fund Board, a major shareholder of the Company, Dato' Mohamad Nasir bin Ab Latif was appointed as Non-Independent Non-Executive Director of the Company as per his appointment letter from Employees Provident Fund Board. Dato' Mohamed Nasir provides independent deliberation, review and decision making to the Board.</p> <p>Having adopted this alternative approach, the Company is deemed to have 50% of the Board comprising independent directors and the Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:	The Board has the intention to seek additional independent non-executive director(s) to achieve majority independent non-executive directors who are also able to contribute to the Board.	
<b>Timeframe</b>	:	As the Board is currently performing effectively, the Board has set a target to achieve majority independent directors by 31 May 2021.	



### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:	None of the tenures of Independent Directors exceed a cumulative term limit of 9 years. Dato' Wee Hoe Soon @ Gooi Hoe Soon and Datuk Raja Zaharaton binti Raja Zainal Abidin were appointed as Independent Non-Executive Directors on 11 August 2016. Datuk Abdullah bin Karim was appointed as Independent Non-Executive Director on 16 October 2018. All three (3) Independent Non-Executive Directors have served less than three (3) consecutive years in the Company.	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	-

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.4**

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Diversity Policy established in January 2018 sets out an approach to achieve diversity in the Company’s Board and Senior Management positions. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, ethnicity, cultural, educational background, professional experience, skills and knowledge. The Board delegates to the Human Resources and Capital Development Department the role of promoting a corporate culture which embraces gender, age and ethnicity diversity. The Diversity Policy is available on the Company’s website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>Although the members of the Senior Management only consist of members of the male gender, the Senior Management team is equipped with diverse skills, expertise and industry experience to lead the business direction of the Group. The Board via Nominating and Remuneration Committee (“NRC”) is in the midst of formulating a more comprehensive succession plan which would also take into consideration the aspect of gender diversity.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	-	
<b>Explanation for departure</b>	:	Currently, the Board has two (2) female directors, representing 25% of the composition of the Board. To enhance the Board's effectiveness, the Board ensures its members have the relevant skills experience, expertise and time commitment. Although the Board takes into consideration gender diversity in the appointment of Board and Senior Management, the Board believes that selection of directors should not be based on any gender discrimination or preferences, as it is equally important to have the right mix of skills at the Board and Management level in order to enable the Board, Board Committees and Senior Management team to carry out their duties effectively.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The NRC will constantly source for suitable and qualified female candidate(s) to be appointed as the members of the Board with the aim of achieving at least 30% women in the Board, to be in line with Malaysia Code on Corporate Governance 2017 ("MCCG") and the government initiative. The potential female director shall not compromise on the skills, right mix and ability to complement the current Board.	
<b>Timeframe</b>	:	As the Board is currently performing effectively, the Board has set a target to appoint an additional female director by 31 May 2021.	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC keeps the Board's balance of skills, knowledge, experience and the length of service of members of the Board under constant review and is aware of the MCGG guide and will leverage on the independent sources to identify suitable qualified female candidates including, Women Directors' Registry, Institute of Corporate Directors Malaysia or other sources. However, the NRC is responsible to ensure proper screening and selection of candidates prior any appointment of new Directors. The NRC is authorised to seek external consultants to assist in the process with Board's approval.</p> <p>The selection and procedure for appointment of new Directors are transparent, and are set out in the NRC's Terms of Reference. During the financial year under review, Datuk Abdullah bin Karim was appointed to the Board in October 2018. Datuk Abdullah was recommended by a subsidiary company's Director.</p> <p>The members of NRC interviewed Datuk Abdullah and took into consideration his level of interest and capacity to serve the Board. Subsequently, the NRC made the formal recommendation to the Board for consideration and approval.</p> <p>The NRC is in the midst of establishing a Nominating Policy and Procedure to enhance transparency and effectiveness of the selection and procedure for the appointment of new directors.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.7**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is led by Datuk Raja Zaharaton binti Raja Zainal Abidin, an Independent Non-Executive Director of the Company. The role of the chairman of the committee is indicated in the NRC's Terms of Reference which includes but is not limited to the following:</p> <ul style="list-style-type: none"> <li>(i) Leading in succession planning, nomination and appointment of board members, future Chairman and Chief Executive Officer; and</li> <li>(ii) Lead governance issues, particularly the annual review of the effectiveness of the Board and Board Committees and ensuring that the performance of individual directors is independently assessed.</li> </ul>
<b>Explanation for departure</b>	:	-
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating and Remuneration Committee conducted an annual evaluation on the effectiveness of the Board and Board Committees, evaluation of the individual performance of Directors, as well as a review on the independence of Independent Directors. In addition, the attendance of Directors at the Board and Board Committees meetings, time commitment and trainings attended by the individual Directors were reviewed and considered.</p> <p>The assessment of the Board is based on four (4) main areas relating to Board structure, Board operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities. For evaluation of the individual performance of Directors, the assessment criteria include abilities and competencies, contribution and performance, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including the contribution to Board processes, business strategies and performance of the Group. The criteria for assessing the independence of Independent Director include the relationship between the Independent Director and the Group and his/her involvement in any significant transaction with the Group according to the criteria set in the MMLR of Bursa Securities.</p> <p>The Board has conducted an internally facilitated Board assessment for the financial year under review. In order to ensure the effectiveness of the evaluation, each Director completes the evaluation forms and submits it to a designated staff in the secretarial department for tabulation. Results are tabled at the NRC meeting which in turn reports the findings to the Board. Certain assessment criteria in the Performance Evaluation have been amended to facilitate improvement in the evaluation process.</p> <p>Directors provide anonymous feedback on their peers' performance and individual performance contributions to the Board. The review supports the Board's decision to endorse all retiring Directors standing for re-election.</p>

	<p>The Board is satisfied with the overall performance of individual Directors, Board and Board Committees for the financial year under review, with improvement seen for the performance of the Board and Board Committees. Areas of improvements identified from the assessment were as follows:</p> <ul style="list-style-type: none"> <li>(i) Guidelines addressing the competing time commitments for directors who served on multiple boards;</li> <li>(ii) Boardroom diversity and steps to ensure that women candidates are sought as part of its recruitment process; and</li> <li>(iii) Implementation of succession plan.</li> </ul> <p>A separate meeting for Senior Management and the Board has been set, focusing on the Group’s short, medium and long-term strategy as well as the succession plan for Senior Management team.</p> <p>The Board intends to engage an independent consultant to facilitate an objective and candid evaluation of the Board for the current financial year. Thereafter, the evaluation of the Board by the independent consultant will be undertaken on a periodic basis or as and when required.</p>	
<b>Explanation for departure</b>	: -	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	: -	
<b>Timeframe</b>	: -	



### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Policy and Procedure for Directors and Senior Management, which is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>, was reviewed and updated by the Board via the NRC in March 2018. The Remuneration Policy of the Company aims to support the Company's key strategies and create a strong performance-oriented environment in attracting, motivating and retaining talent towards achieving the long-term vision of the Company.</p> <p>In relation to the Directors' fees, the Board, having considered the recommendation from the NRC, has revised the fees structure on which the director's, committee members' and chairman's fee are based for the financial year ended 31 January 2019. There is no revision to Directors' fees recommended in financial year ended 31 January 2020 as the level of fees is reflective of their experience and level of responsibilities as a Director.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a combined NRC comprising of three (3) Independent Directors. The combined committee will increase the effectiveness and efficiency of the committee in discussing and reviewing both nomination and remuneration function from an overall perspective. The Terms of Reference of the NRC, which are available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>, clearly spell out the roles and responsibilities of the committee.</p> <p>The directors who are also shareholders of the Company had abstained from voting at the 25<sup>th</sup> Annual General Meeting on resolutions relating to their directors' fees, benefits and re-election of directors.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 7.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The detailed disclosure on named basis for the remuneration of individual directors is found on page 86 of the 2019 Annual Report.	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	-
<b>Explanation for departure</b>	:	The detailed remuneration of the Group Chief Executive Officer, who is an Executive Director, is disclosed in the 2019 Annual Report. The Board recognises the need for corporate transparency in the remuneration of the Senior Management, however, the Board has decided to depart from this Practice as the disclosure would affect the competitiveness of the Group due to the niche market and expertise required for the industry.
	:	The remuneration of the Senior Management is disclosed on an aggregate basis, taking into account the salary, allowances, bonus, benefits-in-kinds and other emoluments.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board via NRC reviewed the remuneration of the Senior Management by comparing companies (within industry, similar market capitalisation and financial performance) in Malaysia and internationally.
<b>Timeframe</b>	:	The Board will continue to review this Practice annually.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 7.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	-

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of Audit Committee and Chairman of the Board are separate persons.</p> <p>The Chairman of the Audit Committee is chaired by Dato' Wee Hoe Soon @ Gooi Hoe Soon, a Senior Independent Non-Executive Director, who is a member of The Malaysian Association of Certified Public Accountants and Malaysia Institute of Accountants.</p> <p>All members of the Audit Committee are Independent Non-Executive Directors and the composition of the Audit Committee are as follows:</p> <ul style="list-style-type: none"><li>• Dato' Wee Hoe Soon @ Gooi Hoe Soon (Chairman)</li><li>• Datuk Raja Zaharaton binti Raja Zainal Abidin (Member)</li><li>• Datuk Abdullah bin Karim (Member)</li></ul> <p>The Terms of Reference of the Audit Committee, which are available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>, includes the details roles and responsibilities of the Chairman and committee, which encompasses risk management and internal controls, financial reporting, internal audit, external audit and other matters. A summary of work performed by the Audit Committee during the financial year under review is disclosed in the Audit Committee Report contained on page 97 of the 2019 Annual Report.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

**Practice 8.2**

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Terms of Reference of Audit Committee revised in January 2018 has incorporated a requirement that a former key audit partner is to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.</p> <p>Currently, none of the members of the Audit Committee are former key audit partners of the Company.</p>	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has the duty and responsibility to review, assess and monitor the performance, suitability and independence of External Auditors annually in accordance with the requirements set out in the External Auditor Policy and Procedure adopted by the Board in January 2018, to ensure continuing independence and objectivity of the External Auditors. The External Auditors Policy and Procedure is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>The Audit Committee evaluated the performance of the External Auditors for financial year ended 31 January 2018 based on the External Auditor Performance and Independence checklist recommended in the Bursa Corporate Governance Guide. The assessment was satisfactory and subsequently, PricewaterhouseCoopers PLT were re-appointed as External Auditors for the financial year ended 31 January 2019 at the 25<sup>th</sup> Annual General Meeting ("AGM").</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-



**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The current Audit Committee comprises of three (3) Independent Non-Executive Directors.

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee possess a mix of skills, knowledge and experience to enable the Audit Committee to discharge their duties and responsibilities as addressed in the terms of reference. The Chairman of the Audit Committee, Dato' Wee Hoe Soon @ Gooi Hoe Soon is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.</p> <p>All members of the Audit Committee are financially literate, with extensive corporate experience and equipped with the required business skills to effectively challenge management's decisions and proposals.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has a stewardship responsibility to understand the risk of the Group, provide guidance on dealing with these risks and to ensure risks are managed proactively, in a structured and consistent manner. The Board via Board Risk Management Committee assumes the responsibility of identifying principal risk, ensuring the implementation of an effective risk management system and reviewing the adequacy and integrity of the Company's internal control and management information system.</p> <p>The policies of the Board for Enterprise Risk Management are:</p> <ul style="list-style-type: none"> <li>• to integrate risk management into the management culture, business activities and decision-making processes</li> <li>• to anticipate and respond to the changing operational, social, environmental and regulatory requirements proactively</li> <li>• to manage risks pragmatically to an acceptable level given the particular circumstances of each situation</li> <li>• to require that all papers submitted to the Board by the Management relating to strategy, key project approval; significant actions or investment must include a risk assessment report</li> <li>• to continuously strive towards strengthening the risk management practices through continuous learning and improvement</li> </ul> <p>The Board has reviewed and adopted a revised Enterprise Risk Management Policy Statement and Framework in March 2018.</p>
<b>Explanation for departure</b>	:	-
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The features of the risk management and internal control framework and its adequacy and effectiveness can be found in the Statement of Risk Management and Internal Control, contained on pages 91 to 95 of the 2019 Annual Report.	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board Risk Management Committee formed in January 2018 comprises of a majority of Independent Non-Executive Directors.</p> <p>The composition of the Board Risk Management Committee is as follows:</p> <ul style="list-style-type: none"><li>• Dato' Mohamad Nasir bin Ab. Latif (Chairman)</li><li>• Lim Chern Yuan (Member)</li><li>• Dato' Wee Hoe Soon @ Gooi Hoe Soon (Member)</li><li>• Datuk Raja Zaharaton binti Raja Zainal Abidin (Member)</li><li>• Datuk Abdullah bin Karim (Member)</li></ul> <p>The terms of reference of the Board Risk Management Committee is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p>

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit function of the Group is carried out through a co-sourcing engagement by both the inhouse Internal Audit Department and Ernst &amp; Young Advisory Services Sdn Bhd, who report directly to the Audit Committee.</p> <p>The Audit Committee is responsible for the appointment and reviewing of the Internal Audit Function's performance. The scope of work for the Internal Audit function is set out in the Report on Audit Committee as contained on page 98 of the 2019 Annual Report.</p> <p>The Audit Committee conducted a review on the performance of the Internal Audit function for the financial year ended 31 January 2019 and noted the need for the inhouse Internal Audit team to undertake specialised training from time-to-time to meet the enlarged scope of the Internal Audit function.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The inhouse Internal Audit Department is headed by Mr Liew Ching Hin. He has been the Head of Group Internal Audit of the Company since 2013. He is a member of the Institute of Internal Auditors Malaysia and possesses fifteen (15) years of experience in the field of internal audit.</p> <p>The Internal Auditors, both inhouse and external consultant are free from any relationships or conflicts of interest, which could impair their objectivity and independence. Further details of the Internal Audit functions are disclosed in the Report on Audit Committee as contained on page 98 of the 2019 Annual Report.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The communication channels between shareholders and the Company include but are not limited to the following:</p> <ul style="list-style-type: none"><li>• Meetings with institutional shareholders and investment communities;</li><li>• Quarterly announcements on financial results to Bursa Securities;</li><li>• Relevant announcements and circulars, when necessary;</li><li>• Annual and Extraordinary General Meetings; and</li><li>• Company's website at <a href="http://www.yinson.com">www.yinson.com</a> where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company.</li></ul> <p><b>Stakeholder Communication Policy and Procedure</b></p> <p>The Board has adopted a Stakeholder Communication Policy and Procedure in January 2018 which focuses on promoting effective communication and provides stakeholders with complete and timely information about Yinson Group, to fairly and accurately represent the Group. This enables investors and potential investors to make proper informed investment decisions and other parties to have a balanced understanding of the Group and its objectives. The Stakeholder Communication Policy and Procedure is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p><b>Corporate Disclosure Policy</b></p> <p>The Corporate Disclosure Policy established in April 2017 sets out the determination and dissemination of sensitive and material information to investors, stakeholders, local media, investing public and other relevant persons in line with the applicable statutory and regulatory requirements. The Corporate Disclosure Policy is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>The Company via its Investor Relations team, conducts periodic analyst briefings and issues press releases as and when necessary, including but</p>



	not limited to its quarterly financial results and major contracts of the Group. The press release, announcements released to Bursa Securities and corporate presentations are available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a> .
	To maintain a high level of transparency and to effectively address any issues or concerns, the Company has dedicated electronic mails, <a href="mailto:info@yinson.com">info@yinson.com</a> to which stakeholders can direct their queries or concerns and <a href="mailto:ir@yinson.com">ir@yinson.com</a> for investor relations purposes.
<b>Explanation for departure</b>	: -
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: -
<b>Timeframe</b>	: -

#### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

#### Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	: -
<b>Explanation for departure</b>	: The Company recognises that the success of the Company will increasingly depend on its ability to create value while being mindful of how the Group utilises resources, and that shareholders are keen to be made aware of how the Company connects its business strategy with its financial and non-financial performance. Therefore, the Company is aiming to move towards achieving disclosure standards that adhere to the International Integrated Reporting Framework set by the International Integrated Reporting Council.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	: Towards this end, the Company have engaged an external advisor, Synergio Global Sdn. Bhd. in 2018 to work with our Annual Report Working Committee to progress towards achieving the said standard in our Annual Reports, beginning with a more robust Sustainability Statement in the 2019 Annual Report.
<b>Timeframe</b>	: The Company has targeted to achieve full integrated reporting by 31 May 2021.

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Notice for Annual General Meeting has been given to the shareholders at least 28 days prior to the meeting.</p> <p>The notice of Company's 25th AGM was issued on 31 May 2018 for the AGM held on 12 July 2018. The notice of 25th AGM was published in the Annual Report, advertised in The Star newspaper, released to Bursa Securities and uploaded onto the Company's website.</p>	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors attended the 25 <sup>th</sup> AGM held by the Company on 12 July 2018. The Chairs of the Board Committees were present at the aforesaid general meeting to provide meaningful response to questions addressed to them.	
<b>Explanation for departure</b>	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	-	
<b>Timeframe</b>	:	-	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.3**

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders’ participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to the shareholders’ approval in the AGM held on 12 July 2018, the Company has adopted a new Constitution in place of the existing Memorandum and Articles of Association which covers electronic voting and remote shareholders participation. The Company has implemented electronic voting during AGM held on 12 July 2018.</p> <p>Remote shareholders participation is not applicable to the Company as the Company has neither a large number of shareholders nor is the General Meeting held in remote locations. Nevertheless, the Company strongly encourages participation of shareholders in AGM and would take into consideration of meetings locations which are easily accessible by shareholders during selection of AGM venues.</p>
<b>Explanation for departure</b>	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	-
<b>Timeframe</b>	:	-

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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