

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7293  
**COMPANY NAME** : YINSON HOLDINGS BERHAD  
**FINANCIAL YEAR** : January 31, 2021

### **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 PERSUANT 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 (“<b>Board</b>”) is responsible for the proper stewardship of the Company’s and its subsidiaries’ (“<b>Group</b>”) business and the creation of long-term stakeholders’ value. To ensure 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 “<b>Board Committees</b>”). 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 are summarised as follows:</p> <ul style="list-style-type: none"> <li>▪ Review and adopt strategic plans developed by Management, ensuring business sustainability, including environmental, economic, social and governance aspects, is safeguarded;</li> <li>▪ Ensure the Group’s businesses are managed properly, including monitoring Management’s performance;</li> <li>▪ Identify the Group’s key risk factors and ensure appropriate internal controls and mitigating measures are implemented to manage such risks;</li> <li>▪ Ensure strong Board and Senior Management appointments and that a robust succession plan is in place;</li> <li>▪ Oversee the development and implementation of an Investor Relations Programme or Stakeholder Communication Policy;</li> <li>▪ Ensure the adequacy and integrity of the Group’s management information and internal control systems; and</li> <li>▪ Ensure 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, has during the financial year under review, performed the following:</p>

**Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.**

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”), Insider Trading Policy and Procedure, Investment Policy, Corporate Disclosure Policy and Procedure, Stakeholder Communication Policy and Procedure, Succession Planning and Management Policy, Human and Labour Rights Policy, Information Security Policy and Procedure, Data Privacy Policy and Procedure, Sanction Policy and Compliance Charter. The Company has continued to emphasize 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.

**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.**

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 2022-2024 were approved on 5 February 2021.

The Board deliberated on and discussed all major business proposals, according to the LOA, tabled by Management, with justification and decision points clearly recorded in the minutes of meetings. The Board received regular status reports, updates and briefings by Management on on-going projects within the Group. The regular status updates allowed the Board to evaluate and make informed and timely decisions for the benefit of the Group.

**Ensure 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 approved by the Board 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 stakeholder value can be enhanced through the Group giving due regard to the environmental, economic, social and governance aspects.

**Ensure 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, has continued the engagement of professional advisers, namely Ernst & Young Advisory Services Sdn Bhd as joint Internal Auditors with the existing Internal Audit team of the Company. Various initiatives and proposals took place in the financial year ended 31 January 2021 ("FYE 2021") for improvement in internal controls and risk management of the Group.

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

The Board has overall responsibility for risk oversight 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 risk profiling of the Group, performed and considered by the Board Risk Management Committee.

**Set risk appetite within which the Board expects Management to operate and ensure appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risks**

The Board has implemented an on-going 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 placed and constant monitoring by the Risk Management Department to mitigate the risk.

The Board via the Board Risk Management Committee has also set the Corporate Risk Profile and the Crisis Management Plan of the Group.

	<p><b>Ensure Senior Management has necessary skills and experience, and measures are 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 reviewed and adopted a revised Succession Planning &amp; Management Policy and Procedure for the Board and Senior Management with effect from 1 January 2021. 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 the Company has in place procedures to enable effective communication with stakeholders</b></p> <p>The Stakeholder Communication Policy and Procedure adopted by the Company provides guidance to ensure a full, fair and timely disclosure of relevant information to Stakeholders which are consistent and accurate on a broad and non-exclusive basis. On 21 December 2020, the Board approved an enhanced version with new section on digital and social media platform as well as updated privacy information in line with the new Data Privacy and Protection Policy and Procedure.</p> <p><b>Ensure 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>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>: -</p>	
<p><b>Timeframe</b></p>	<p>: -</p>	

### 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>	:	<p>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>.</p> <p>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.</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

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>	:	<p>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>.</p> <p>Mr Lim Han Weng provides leadership and direction to the Board to achieve Board effectiveness and focuses on liaison between Board and Management as well as Shareholders. Mr Lim Chern Yuan focuses primarily on the formulation and implementation of the Group's business strategies, oversees the implementation of policies and decisions adopted by the Board as well as supervises the day-to-day management, operations and business developments of the Group.</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

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>	:	<p>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.</p> <p>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.</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

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 to enable informed decisions to be made and responsibilities to be effectively discharged.</p> <p>Board and Board Committee meetings 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>Meeting notices and papers are uploaded to a digital meeting software and disseminated to Board and Board Committees' members at least seven (7) days before meetings, allowing convenient direct access and sufficient time to review, consider and prepare for meetings. The deliberations and decisions of the Board and Board Committees are recorded in minutes and circulated for confirmation/notation. The Board has direct access to the Senior Management and Company Secretaries and may obtain independent professional advice, if necessary, in accordance with procedures 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>	:	A clear demarcation of responsibilities between the Board, Board Committees and Management-level Committees are defined in the Board Charter. The Board Charter outlines the governance structure, authority and reserved matters for the Board. The Board Charter is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a> .  The respective Board Committees and Management-level Committees roles and responsibilities are described in their respective terms of reference.
<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 achieves its vision and mission through the implementation of a strong corporate culture that revolves around five Core Values: Reliable, Open, Adaptable, Decisive and Sustainable.</p> <p><b><u>Code of Conduct and Business Ethics ("COBE") Policy and Procedure</u></b></p> <p>The Group's COBE Policy and Procedure outlines the foundation and expectations in relation to ethical standards and personal conduct. The COBE Policy and Procedure, which includes other references such as the Group's ABAC Policy and Procedure, the Anti-Money Laundering Policy and the Whistleblowing Policy and Procedure, aims to guide employees and the Board on good corporate behaviour and how to 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 employees are given guidance to understand the ABAC Policy and Procedure and other applicable policies;</li><li>▪ Creating a positive and transparent environment where questions and concerns may be raised comfortably; 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 COBE Policy and Procedure and has taken measures 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 ("IP") 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>

	The Board and employees constantly observe the COBE Policy and Procedure and uphold integrity to exercise good judgement when carrying out their duties. The COBE 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

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>	:	<b>Whistleblowing Policy and Procedure</b> The Whistleblowing Policy and Procedure was enhanced in December 2019 to allow anonymous reporting, in line with the ISO 37001 Anti-Bribery Management System standards. This Policy and Procedure facilitates the disclosure of any improper conduct (wrongdoings or criminal offences) within the Group and provides guidance on how disclosures shall be made. Whistleblowers are encouraged to use official whistleblowing channels to express these concerns without fear of unfair treatment or reprisal. 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently comprises ten (10) members of whom three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors and five (5) are Independent Non-Executive Directors. The independence composition of the Board is 50% and four (4) out of ten (10) Directors (40%) are women.</p> <p>The Board believes an appropriate balance and mix of skills, knowledge, experience, background and gender contributes to the effectiveness of the Board. The tenure of all five (5) Independent Directors, namely Dato' Wee Hoe Soon @ Gooi Hoe Soon, Dato' Mohamad Nasir bin AB Latif, Datuk Abdullah bin Karim, Raja Datuk Zaharaton binti Raja Zainal Abidin and Puan Sharifah Munira bt. Syed Zaid Albar are less than five (5) consecutive years. The profiles of the Directors are provided on pages 28 to 33 and Board diversity charts can be found on page 28 of the Annual Report 2021.</p> <p>Employees Provident Fund Board ("EPF"), a statutory institution managing funds belonging to the general public, being a major shareholder of the Company has nominated Puan Rohaya binti Mohammad Yusof for appointment as Non-Independent Non-Executive Director of the Company as per her nomination letter from EPF. Puan Rohaya is acting in the interest of the general public and she provides independent deliberation, review and decision making to the Board.</p> <p>Having adopted an alternative approach, the Company is deemed to have majority Independent Directors and met this intended outcome i.e. Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.</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 4.2

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>	:	<p>None of the tenures of the Independent Directors exceed a cumulative term limit of 9 years. Dato' Wee Hoe Soon @ Gooi Hoe Soon and Raja Datuk Zaharaton binti Raja Zainal Abidin were appointed as Independent Non-Executive Directors on 11 August 2016. Datuk Abdullah bin Karim and Puan Sharifah Munira bt Syed Zaid Albar were appointed as Independent Non-Executive Director on 16 October 2018 and 1 January 2020 respectively. Dato' Mohamad Nasir bin AB Latif, a Non-Independent Non-Executive Director appointed on 11 August 2016 was re-designated as Independent Non-Executive Director of the Company on 1 January 2020.</p> <p>All five (5) Independent Non-Executive Directors have served less than five (5) consecutive years in the Company.</p> <p>The Company has adopted the Nominating Policy and Procedure and Board Charter that eliminate the possibility of retaining Independent Director who served more than twelve (12) years as Independent Director by way of seeking annual shareholders' approval through a two-tier voting process. Independent Directors who served more than twelfth (12) years, if being retained, must be re-designated as a Non-Independent Non-Executive Director.</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**

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 outlines the approach to achieve diversity in Board composition and Senior Management positions. In designing the Board's composition, diversity is considered from several aspects including gender, age, ethnicity, cultural, educational background, professional experience, skills and knowledge. The Board delegates the responsibility of promoting a corporate culture that embraces diversity to the Human Resources and Capital Development Department. The Diversity Policy is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>The members of the Senior Management consist of male and female gender, the Senior Management team is equipped with diverse skills, expertise and industry experience to lead the business direction of the Group. The Company has formulated a comprehensive succession plan which has taken into consideration the aspect of gender diversity.</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**

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of gender diversity in Board and Senior Management positions and fully support the Malaysian government policy to have at least 30% female Directors on the Board.</p> <p>The Board comprises of ten (10) Directors, of whom four (4) are female directors, representing 40% of the total composition of the Board.</p> <p>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 members, 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.</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 4.6

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 Nominating Policy and Procedure adopted by the Company promotes transparency and effectiveness of the selection and procedure for the appointment of new directors. The Nominating Policy and Procedure is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <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 as recommended by the Malaysian Code on Corporate Governance 2017 ("MCCG") and Corporate Governance Guide (3<sup>rd</sup> Edition) of Bursa Securities ("CG Guide"). The NRC takes into consideration of independent sources in identifying suitable qualified female candidates including but not limited to, Women Directors' Registry and Institute of Corporate Directors Malaysia. The NRC will conduct proper screening and selection of candidates prior to the appointment of any new Directors.</p> <p>The selection and procedure for appointment of new Directors are rigorous and transparent. During the financial year under review, no new director was appointed to the Board.</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 Raja Datuk Zaharaton binti Raja Zainal Abidin, an Independent Non-Executive Director of the Company. The roles of the NRC Chairman are 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;</li> <li>(ii) Leading in 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; and</li> <li>(iii) Chairing meetings of NRC and taking reasonable steps for the proper functioning of the NRC.</li> </ul>
<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 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 NRC conducted an annual evaluation on the effectiveness of the Board and Board Committees, evaluation of the individual performance of Directors, as well as assessed the independence of Independent Directors. In addition, the attendance of Directors at the Board and Board Committees meetings, time commitment and trainings attended were reviewed and considered.</p> <p>The Board has approved the engagement of an independent consultant, Boardroom Corporate Services Sdn Bhd to facilitate Board Evaluation for the FYE 2020. The objective is to form an objective and candid evaluation of the Board and Board committees, which is facilitated through evaluation forms and one-to-one interviews. Results were tabled to the NRC which subsequently reported findings to the Board. The evaluation of the Board by the independent consultant will be undertaken on a periodic basis or as and when required.</p> <p>Directors' Evaluation for the FYE 2021 was facilitated by in-house Corporate Secretary Department. An executive summary was generated and results were tabled at the NRC meeting held on 24 March 2021, which in turn reports the findings and action plans for Board's approval. 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 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.</p>

The following are steps/enhancements undertaken to mitigate/ address the weaknesses identified:

**1. Strategic planning and direction**

- Should have more strategic planning focus in the agenda of the Board meetings.
  - Develop a dynamic Board agenda that explicitly highlights forward-looking activities and ensure that they get sufficient coverage over the course of the year.
  - Conduct annual or regular off-site retreat for the Board together with the selected Senior Management personnel on strategic discussions.
- More strategic planning focus and forward-looking activities have been included in the agenda of Board meetings being a continual practice.
  - An off-site retreat ‘Yinson Up’ was held on 9 and 10 January 2020 for executive directors and selected Senior Management personnel to deliberate on strategic plans of Yinson Group and the same shall be held on regular basis.

**2. Corporate governance, ethics and integrity**

- Continue to have sessions with the employees to instill awareness on the whistle-blowing policy and the pertinent whistle-blowing channels of the Company.
  - The AC to look into the effectiveness of the whistle-blowing policy and procedures.
- Various efforts were undertaken to instill awareness on the whistle-blowing policy such as townhall, publishing of policy via YNet, leaflets at office premises, induction programme to newcomers, etc.
  - AC has accessed the effectiveness of the whistle-blowing policy and procedures being part of the risk management responsibilities.

**3. Boardroom diversity and succession planning**

- Develop an orderly succession plan for Senior Management, which gives a clear direction as to what the Company is facing and the type and depth of experience required in order for Management to continue functioning effectively.
  - New Head of Human Resource to develop some proactive measures on talent development and succession planning.
  - To revisit the Key Performance Indicators set for Senior Management.
- Succession planning was deliberated in the Special NRC Meeting held on 28 September 2020 and the revised Succession Planning and Management Policy and Procedure was reviewed by NRC members in the Special NRC Meeting held on 11 December 2020 and approved by Board members in the Board Meeting held on 21 December 2020. Human Resource Department is in the midst of formulating succession plan for Senior Management and would table the aforesaid plan for NRC review and Board’s approval in due course.
  - Human Resource Department has tabled the Executive Benchmarking Peer Group and Senior Management Job Evaluation & Benchmarking Findings in December 2020 for NRC’s review and recommendations for Board’s approval.
  - Key Performance Indicators (KPIs) were set for Senior Management in September 2020 and mid-year performance review in March 2021 to check-in for ensuring KPIs are still

	<p>on track or for submitting revision, if necessary.</p>
	<p>4. <b>Risk oversight</b></p> <ul style="list-style-type: none"> <li>▪ Conduct regular private sessions between internal auditors, Head of Risks and the Board Risk Management Committee (“BRMC”).</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Private session was held between Raja Datuk Zaharaton, the NRC Chairman and Louisa Brady, HR Director in November 2020.</li> <li>➤ Private sessions were held between Dato’ Mohamed Nasir, the BRMC Chairman and Head of Governance, Risk Management and Compliance on quarterly basis.</li> <li>➤ Private sessions were held between Audit Committee and Internal Auditors (EY) on quarterly basis.</li> </ul> <p>5. <b>Information flow and Board administration</b></p> <ul style="list-style-type: none"> <li>▪ Develop focused Board agendas that explicitly highlight strategic issues.</li> <li>▪ Board papers prepared in a more concise manner and should aim to facilitate decision making focused manner.</li> <li>▪ Adopting standard templates to display important financial, market, competitor information or trend in the Executive Summary.</li> <li>▪ Consent from the Chairman should be sought for submitting “last minute” papers for presentation at Board Meetings or Board Committees Meetings.</li> <li>▪ Board and Board Committee meetings to be conducted on a separate day while adhering to shorter meeting duration.</li> </ul> <ul style="list-style-type: none"> <li>➤ Focused Board agendas on strategic issues were developed and discussed regularly in Board meetings such as, Strategic Business Plan and Annual Operating Budget for Yinson Group for the financial years ending 31 January 2022 to 2024, Strategic Update of New Ventures &amp; Technology, Human Resource Transformation Strategy and Plan etc.</li> <li>➤ Adoption of Board Paper template with Executive Summary and Detailed Board Paper since July 2020 across Yinson Group. Financial, tax, compliance and legal implications were included in the Board Paper template with aim to facilitate decision making.</li> <li>➤ Consents from the respective Chairman were sought (continual practices) for submitting “last minutes’ papers for presentation at Board or Board Committee meetings.</li> <li>➤ Board and Board Committee meetings have been scheduled to be conducted on separate days for year 2021. Close monitoring and planning on presentation time and slots as well as the implementation of Executive Summary page in Board Paper template to shorten meeting duration for more concise and effective Board and Board Committee meetings.</li> </ul>

	<p>6. <b>Information system, technological adeptness and resilience</b></p> <ul style="list-style-type: none"> <li>▪ Design relevant continuous professional development programmes and technological courses for selected Directors and Management personnel.</li> <li>▪ Integrate cyber security and system integrity risks into the proposed risk register/dashboard of the Company.</li> <li>▪ Engage external subject matter experts to provide training and to conduct knowledge sharing sessions at the Board and Senior Management level to keep the Board and Management informed of technological shifts, advancements and breakthroughs in the industry.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Yinson has leveraged on digital technologies to gear towards future growth, long-term business sustainability and cultivate a culture of learning by launching <b>Learn@Yinson</b>. Our learning management system provides Executive Directors, Management personnel and employees access to learning resources. There are over 8,000 LinkedIn Learning courses employees can access ranging from courses relevant to their current professional roles and functions to personal interests and passion, in addition to courses from International SOS, as well as in house developed learning content.</li> <li>➤ Ongoing trainings from experts to Directors would be provided at least once every year and as and when required e.g. Directors' Training has been conducted by Ernst &amp; Young (EY) on 6 August 2020 for the following topics: <ul style="list-style-type: none"> <li>▪ The New Normal</li> <li>▪ Future of Renewable Energy</li> </ul> </li> </ul>
<p><b>Explanation for departure</b> :</p>	<p>-</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>	<p>-</p>	
<p><b>Timeframe</b> :</p>	<p>-</p>	

### 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> :	The Remuneration Policy and Procedure for Directors and Senior Management is available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a> . 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.  During the NRC meeting held on 24 March 2021, the NRC has reviewed the fees and benefits of the Board and Board Committees taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors. No revision of Directors' fees and benefits have been recommended by the NRC.	
<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.</p> <p>The Terms of Reference of the NRC clearly spell out the roles and responsibilities of the committee. The Terms of Reference of NRC are available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>The Directors who are also shareholders of the Company had abstained from voting at the twenty-seventh (27<sup>th</sup>) Annual General Meeting of the Company on resolutions relating to their Directors' fees, benefits and re-election.</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 165 of the Annual Report 2021.	
<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 Annual Report 2021. 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>• Raja Datuk Zaharaton binti Raja Zainal Abidin (Member)</li><li>• Datuk Abdullah bin Karim (Member)</li><li>• Dato' Mohamad Nasir bin AB Latif (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 pages 175 to 176 of the Annual Report 2021.</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 the Audit Committee requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as an AC member. Currently, no AC members are former key audit partners of the Company.</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 is responsible for reviewing, assessing and monitoring the performance, suitability and independence of external auditors annually in accordance with the requirements set out in the External Auditor Policy and Procedure, to ensure continued 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 2020 based on the External Auditor Performance and Independence checklist recommended in the CG Guide. The assessment was satisfactory and subsequently, PricewaterhouseCoopers PLT were re-appointed as External Auditors for the FYE 2021 at the 27<sup>th</sup> Annual General Meeting ("AGM") 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 8.4 - 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 four (4) 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 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 Enterprise Risk Management Policy Statement and Framework 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

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 170 to 174 of the Annual Report 2021.
<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 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>▪ Raja Datuk 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, a revision was approved by the Board in April 2020, 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 between the in-house 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 pages 176 to 177 of the Annual Report 2021.</p> <p>The Audit Committee conducted a review on the performance of the Internal Audit function for the FYE 2021 and noted the need for the in-house 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 in-house Internal Audit Department was 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 eighteen (18) years of experience in the field of internal audit. With effective of 1 January 2021, Mr. Liew has resigned from his Head of Group Internal Audit role and the auditing functions has been outsourced fully to Ernst &amp; Young Advisory Services Sdn Bhd to carry out audit activities for the Group with immediate effect.</p> <p>The Internal Auditors, both in-house 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 pages 176 to 177 of the Annual Report 2021.</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 stakeholders and prospective investors. The communication channels between stakeholders 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</li><li>▪ Company's website at <a href="http://www.yinson.com">www.yinson.com</a> which provides access to 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> The Stakeholder Communication Policy and Procedure, a revision of which was approved by the Board in December 2020, promotes effective communication and provides stakeholders with complete and timely information which fairly and accurately represent the Group. This enables investors and potential investors to make proper informed investment decisions and for 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 and Procedure</b> The Corporate Disclosure Policy and Procedure sets out how sensitive and material information is determined and disseminated to investors, stakeholders, local media, investing public and other relevant persons in line with the applicable statutory and regulatory requirements. The Corporate Disclosure Policy and Procedure was reviewed and enhanced in December 2020, which includes the following insertion:</p> <ul style="list-style-type: none"><li>▪ exceptional circumstances that the Company may withhold or delay disclosure of material information temporarily provided that complete confidentiality is maintained</li><li>▪ measures to minimise leakage of information in ensuring the Company maintain confidentiality at all times</li><li>▪ policy on thorough public dissemination</li></ul>

	<p>The Corporate Disclosure Policy and Procedure 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 not limited to its quarterly financial results and major contracts. The press releases, announcements issued to Bursa Securities and corporate presentations are available on the Company's website at <a href="http://www.yinson.com">www.yinson.com</a>.</p> <p>To maintain transparency and effectively address 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.</p>
<p><b>Explanation for departure</b></p>	<p>: -</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>: -</p>
<p><b>Timeframe</b></p>	<p>: -</p>

### 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 has taken initiatives to meet the disclosure standards by ensuring its Annual Report 2020 adhered to the International Integrated Reporting Framework set by the International Integrated Reporting Council.</p> <p>The Company has engaged an external consultant, Synergio Global Sdn. Bhd. and an annual report agency, Dotplus Communications Sdn Bhd and worked closely with our Annual Report Working Committee in achieving full Integrated Annual Reporting status. The Company has been awarded with Excellence Award with silver placing under the market capitalisation of RM2 billion to RM10 billion category.</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 12.1

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>The notice for Annual General Meeting has been given to the shareholders at least 28 days prior to the meeting, in accordance with the Board Charter and the Company's Constitution.</p> <p>The notice of the 27<sup>th</sup> AGM dated 29 May 2020 was published in the Annual Report 2020, advertised in The Star newspaper, released to Bursa Securities and uploaded onto the Company's website. The notice was accompanying by an Administrative Details which provides administrative guide of fully virtual General Meeting including but not limited to the usage of the Remote Participation and Voting ("RPV") facilities, General Meeting Record of Depositors, Proxy, Poll Voting and Procedures for the RPV facilities.</p> <p>The Company provided the information of broadcast venue in the notice of 27<sup>th</sup> AGM in accordance with Section 327 of the Companies Act 2016 and Clause 49(E) of the Company's Constitution.</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>	:	<p>All Directors attended the fully virtual 27<sup>th</sup> AGM held by the Company on 16 July 2020. Dato' Wee Hoe Soon @ Gooi Hoe Soon (Chairman of the Meeting), Dato' Mohamad Nasir bin AB Latif, Datuk Abdullah bin Karim and Lim Han Joeh were physically present at the broadcast venue, Pullman Studio 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur. While Mr Lim Han Weng, Mr Lim Chern Yuan, Madam Bah Kim Lian, Raja Datuk Zaharaton binti Raja Zainal Abidin, Puan Rohaya binti Mohammad Yusof and Puan Sharifah Munira bt. Syed Zaid Albar attended via remote participation.</p> <p>The Chairs of the Board Committees were virtually present at the aforesaid virtual general meeting to provide meaningful response to various questions addressed to them. The shareholders are allowed to submit questions for the Chairman/Board through a text box in the online platform. The Group Financial Controller as well as the External Auditors were also present at the Meeting to respond to any queries from shareholders/proxies at the AGM. The questions that were posted during the general meeting and were not addressed during the Question and Answer session due to time constraint were emailed to the shareholders/proxies after the meeting.</p> <p>A summary of the minutes of the 27<sup>th</sup> AGM including the Question and Answer session, is available on 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 12.3

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>In light of the Covid-19 pandemic and as part of the initiatives to curb the spread of Covid-19, the 27<sup>th</sup> AGM of the Company held on 16 July 2020 was conducted on a fully virtual basis by way of live streaming from the broadcast venue and online remote voting via RPV facilities. The virtual AGM was conducted in accordance with the Guidelines Notes on Conduct of General Meetings issued by the Securities Commission on the conduct of general meetings by listed issuers and the standard operating procedures issued by Majlis Keselamatan Negara (MKN).</p> <p>The RPV facilities has enabled the shareholders of the Company to exercise their right to participate and vote in absentia through the e-Services in accordance with the Company's Constitution which allows electronic voting and remote shareholders participation.</p> <p>All shareholders were required to participate and vote in absentia at the Company's 27<sup>th</sup> AGM via the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. online platform, Securities Services e-Portal which was accessible at <a href="http://www.sshsb.net.my/login">www.sshsb.net.my/login</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>	:	-

**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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