

# GOVERNANCE

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# CORPORATE GOVERNANCE OVERVIEW STATEMENT

This statement provides the view of Yinson's Board on corporate governance ("CG") as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG"). This statement should be read together with the Company's CG Report. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during FYE 2021.

The Board acknowledges the importance of sound CG practices and believes that this improves long-term success and performance. We are committed to setting the appropriate tone at Board-level and achieving high standards of CG practices, values and business conduct across Yinson.

The Board is satisfied that Yinson has complied with the provisions and applications of the main MCCG principles for FYE 2021 except for Practice 7.2 (The Board discloses on a named-basis the top five (5) senior management's remuneration).

Explanations on the application and departure of the Practice, including the related measures and timeframes to apply the departure Practices are provided in the CG Report.

## RESOURCES ON YINSON'S CORPORATE WEBSITE

The following documents referred to within this statement are found on our Company's website at [www.yinson.com](http://www.yinson.com).

- CG Report
- Board Charter
- Terms of References for Board Committees
- Nominating Policy and Procedure
- Remuneration Policy and Procedure
- Code of Conduct and Business Ethics ("COBE") Policy and Procedure
- Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure
- Whistleblowing Policy and Procedure
- Diversity Policy and Procedure
- External Auditors Policy and Procedure
- Stakeholder Communication Policy and Procedure
- Corporate Disclosure Policy and Procedure
- Summary of the minutes of Annual General Meeting ("AGM") including Question and Answer session

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Part I - Board Responsibilities

#### Intended Outcome 1.0

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.

#### The Board

The Board is responsible for good governance within the Group's 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 Board Committees and Management-level Committees with a reporting structure as depicted on the next page. The function, roles and responsibilities of the Board Committees and Management-level Committees are clearly defined in their respective terms of reference, which are reviewed periodically, or as and when required.

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\* Risk Management Committee reports risk matters to Board members through the BRMC.

# SC reports sustainability matters to Board members through the BRMC with effect from 25 March 2020.

### Board's Main Responsibilities

- Review and adopt strategic plans developed by Management, ensuring that business sustainability, including environmental, economic, social and governance aspects, is safeguarded.
- Ensure the Group's businesses are managed properly, including monitoring of Management's performance.
- Identify the Group's key risk factors and ensure appropriate internal controls and mitigating measures are implemented to manage such risks.
- Ensure strong Board and Senior Management appointments and that a robust succession plan is in place.
- Oversee the development and implementation of an Investor Relations Programme or Stakeholder Communication Policy.
- Ensure the adequacy and integrity of the Group's management information and internal control systems.
- Ensure the integrity of the Group's financial and non-financial reporting.

The role of Chairman and Group CEO are held by different individuals. The roles and responsibilities of Board members and Company Secretary are clearly defined in the Board Charter, summarised as follows:

### Board-level roles and responsibilities

<b>Chairman</b>	<ul style="list-style-type: none"> <li>• Provide leadership and direction to the Board to achieve Board effectiveness.</li> <li>• Liaise between Board and Management as well as Shareholders.</li> </ul>
<b>Group CEO</b>	<ul style="list-style-type: none"> <li>• Formulate and implement Group's business strategies.</li> <li>• Oversee implementation of policies and decisions adopted by the Board.</li> <li>• Supervise day-to-day management, operations and business development of the Group.</li> </ul>
<b>Non-Independent Non-Executive Directors</b>	<ul style="list-style-type: none"> <li>• Monitor Company's performance by overseeing Management's performance.</li> <li>• Constructively challenge and contribute to the development of the Company's strategies. Their vast experience allows them to bring valuable external perspectives that contribute significantly to the Board's deliberations and decisions.</li> </ul>
<b>Independent Non-Executive Directors</b>	<ul style="list-style-type: none"> <li>• Provide objective and independent views and advice to safeguard the interests of the Company and Minority Shareholders.</li> <li>• Provide a broader view, independent assessments and opinions on Management proposals and strategies.</li> </ul>
<b>Senior Independent Non-Executive Director</b>	<ul style="list-style-type: none"> <li>• Highlight concerns of the Board that are sensitive to the Chairman.</li> <li>• Act as an alternate contact person for Shareholders or other stakeholders for matters that cannot be resolved via normal channels of contact with the Chairman or Group CEO.</li> </ul>

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**Company Secretary**

- Advise the Board on corporate disclosures and compliance with relevant regulatory requirements, guidance and legislations.
- Assist in the monitoring and application of CG developments and practices.
- Provides updates and advice on statutory and regulatory requirements that may affect the Company and Directors' duties and responsibilities.

**Board meetings and access to information**

Directors are supplied with relevant information and reports, enabling informed decisions to be made and responsibilities to be effectively discharged.

Board and Board Committee meetings are scheduled and communicated in advance prior to each calendar year to encourage maximum attendance rates. Meeting notices and papers, wherever possible, are uploaded to a digital meeting software and disseminated to Board and Board Committees' members at least seven (7) days prior, allowing convenient direct access and sufficient time to review, consider and prepare for the 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.

The attendance of the Directors at the Board and Board Committee meetings as well as the Annual General Meeting ("AGM") during FYE 2021 are as follows:

Name	Type of Meeting				
	Board	AC	BRMC	NRC	AGM
Lim Han Weng	7/7				1/1
Lim Chern Yuan	7/7		4/4		1/1
Bah Kim Lian	7/7				1/1
Lim Han Joeh	7/7				1/1
Dato' Mohamad Nasir bin AB Latif	7/7	1/1*	4/4		1/1
Dato' Wee Hoe Soon @ Gooi Hoe Soon	7/7	5/5	4/4	4/4	1/1
Raja Datuk Zaharaton binti Raja Zainal Abidin	7/7	5/5	4/4	4/4	1/1
Datuk Abdullah bin Karim	5/7	4/5	4/4	4/4	1/1
Rohaya binti Mohammad Yusof	7/7				1/1
Sharifah Munira bt. Syed Zaid Albar	7/7				1/1

\* Appointed as a Member of Audit Committee with effect from 1 October 2020.

**Intended Outcome 2.0**

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.

A clear demarcation of responsibilities between the Board, Board Committees and Management-level Committees is defined in the Board Charter. The Board Charter outlines the governance structure, authority and reserved matters for the Board.

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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Board Committees' roles and responsibilities

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<b>AC</b>	<ul style="list-style-type: none"><li>• Oversee integrity of financial reporting, and internal control and risk management processes.</li><li>• Review and monitor internal audit functions ("IA function") and external auditors.</li></ul>
<b>BRMC</b>	<ul style="list-style-type: none"><li>• Identify key risks factors and ensure implementation of an effective risk management system.</li><li>• Review adequacy and integrity of internal control and management information system.</li></ul>
<b>NRC</b>	<ul style="list-style-type: none"><li>• Build an effective Board through selection, nomination and evaluation of the Board, Board Committees and individual Directors' performance.</li><li>• Ensure strong and balanced Board composition by reviewing diversity of skills, knowledge, experiences, backgrounds and gender.</li><li>• Review remuneration packages of Directors and Senior Management.</li></ul>
<b>ESSC</b>	<ul style="list-style-type: none"><li>• Implement and administer the Employees' Share Scheme ("ESS") with regard to the granting, allocation and maintenance of shares to Executive Directors, Senior Management and employees of the Group.</li></ul>

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During the financial year under review, key activities performed by the Board, Board Committees and Management-level Committees are as follows:

### Key activities of the Board, Board Committees and Management-level Committees

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<b>Board</b>	<ul style="list-style-type: none"><li>• Approved Budget and strategic business plans.</li><li>• Reviewed, approved and received updates on business projects.</li><li>• Reviewed and approved various Charters, Terms of References, Policies and Procedures, and Revised Limit of Authority.</li><li>• Reviewed and approved Annual Report content and CG Report.</li><li>• Approved declaration of interim dividend and recommended final dividend for shareholders' approval at AGM.</li><li>• Reviewed and approved Sustainability Policy and strategies.</li><li>• Approved Board Evaluation and recommended re-election of Directors at AGM.</li><li>• Approved quarterly financial results.</li><li>• Approved Audited Financial Statements.</li><li>• Approved Enterprise Risk Management ("ERM") plan and Risk Register.</li><li>• Approved Key Risk Indicators and Action Plans of the top five (5) risks of the Group.</li><li>• Received Internal Audit Plan.</li><li>• Received Internal Audit Reports and Internal Audit Budget.</li><li>• Received External Auditors' Report.</li><li>• Reviewed and approved the Long-term Incentive Plan.</li><li>• Reviewed and approved the Register of Recurrent Related Party Transactions.</li><li>• Reviewed shares purchased pursuant to renewal of share buy-back authority.</li><li>• Reviewed solvency position of the Company for dividend and share buy-back.</li><li>• Recommended the re-appointment of External Auditors at AGM.</li><li>• Reviewed and approved Executive Benchmarking Peer Group.</li><li>• Established good CG practices.</li></ul>
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<b>AC</b>	<ul style="list-style-type: none"> <li>• Reviewed Internal Audit Plan and Internal Audit Reports.</li> <li>• Reviewed quarterly financial results.</li> <li>• Reviewed Audit Planning Memorandum for external audit and External Auditors' Report.</li> <li>• Reviewed the application of major accounting policies and practices in compliance with approved accounting standards.</li> <li>• Reviewed Audit Fees.</li> <li>• Reviewed and approved Internal Audit Budget.</li> <li>• Reviewed Audited Financial Statements.</li> <li>• Reviewed Register on Recurrent Related Party Transactions.</li> <li>• Reviewed risk profile and the adequacy and effectiveness of the Group's risk management, internal control system and management information system.</li> <li>• Reviewed the extent of compliance with established internal policies, standards, plans, procedures, laws and regulations.</li> <li>• Conducted private sessions with external auditors and internal auditors without presence of the Executive Directors and Management.</li> <li>• Evaluated performance of external auditors.</li> <li>• Reviewed performance of IA function.</li> <li>• Reviewed and approved the proposed revisions to the Internal Audit Charter.</li> <li>• Verified criteria for allocation of share options to eligible employees for the FYE 2020 under the ESS.</li> <li>• Reviewed Audit Committee Report and Statement of Risk Management and Internal Control for inclusion in the Annual Report.</li> <li>• Reviewed and recommended the dividend pay out.</li> </ul>
<b>BRMC</b>	<ul style="list-style-type: none"> <li>• Reviewed Terms of Reference of the BRMC.</li> <li>• Reviewed status of Risk Action Plans for top five (5) risks of the Group.</li> <li>• Reviewed Key Risk Indicators and Action Plans of the top five (5) risks of the Group.</li> <li>• Reviewed Corporate Risk Profile of the Group.</li> <li>• Reviewed Crisis Management Plan of the Group.</li> </ul>
<b>NRC</b>	<ul style="list-style-type: none"> <li>• Reviewed annual performance of individual Directors, Group CEO, Board and Board Committees.</li> <li>• Reviewed re-election of Directors.</li> <li>• Reviewed Directors' fees and benefits.</li> <li>• Reviewed remuneration packages of the Executive Directors and Senior Management.</li> <li>• Reviewed composition of Board Committees.</li> <li>• Reviewed and assessed the appropriateness of a new candidate for Board/ Board Committee/ Senior Management positions.</li> </ul>
<b>MC</b>	<ul style="list-style-type: none"> <li>• Overseen the Group's day-to-day operations and business affairs towards achieving corporate objectives and goals.</li> <li>• Reviewed the Group's business strategies, plans, policies and frameworks.</li> <li>• Identified principal business risks faced by the Group and ensured appropriate internal controls and mitigating measures are implemented to manage such risks.</li> </ul>
<b>SC</b>	<ul style="list-style-type: none"> <li>• Provided support and advice regarding the embedding of sustainability principles and practices throughout the Group's overall business strategies, policies, processes and practices.</li> <li>• Overseen sustainability-related management processes, standards and strategies towards achieving compliance with social and environmental responsibilities and commitments.</li> <li>• Supported the Board in meeting stakeholders' sustainability expectations.</li> <li>• Steered the Group towards qualifying for Sustainability Index in Malaysia and globally.</li> <li>• Identified Carbon Emission targets.</li> </ul>

Note: No ESSC meeting was held during the financial year under review.

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The Board has adopted a revised Terms of Reference of Board Risk Management Committee in April 2020, comprising of the following additional duties and responsibilities assigned by the Board:

- Review and recommend strategies and initiatives relating to the Corporate Sustainability function to ensure Group-wide alignment with relevant global corporate best practices, as well as environment, social and governance ("ESG") ratings such as ones provided by Sustainalytics, Morgan Stanley Capital International, etc.;
- Review the Group's Anti-Bribery Management System to ensure the Group has put in place adequate measures to mitigate bribery risk; and
- Review regular compliance reports from the Risk Management, Compliance and Sustainability Department to confirm the adequacy and effectiveness of the Group's corporate governance.

Our sustainability-related achievements, direction and goals are captured within the 'Sustainability Statement' and 'Our Capitals' section of the Annual Report 2021, from pages 71 to 152.

### Intended Outcome 3.0

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.

### The Group's Core Values

The Group achieves its Vision and Mission through the implementation of a strong corporate culture that revolves around five (5) Core Values: Reliable, Open, Adaptable, Decisive and Sustainable.

### Code of Conduct and Business Ethics ("COBE") Policy and Procedure

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, AML Policy and Whistleblowing Policy and Procedure, aims to guide employees and the Board on good corporate behaviour and ways to resolve ethical dilemmas at work by:

- Upholding the highest ethical standards of business conduct.
- Encouraging ethical decision-making and rewarding integrity.
- Being a role model and leading by example.
- Ensuring employees are given guidance to understand the ABAC Policy and Procedure and other applicable policies.
- Creating a positive and transparent environment where questions and concerns may be raised comfortably.
- Ensuring those who raise genuine concerns do not suffer retaliation.

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:

- Work environment
- Health and safety environment
- Anti-bribery and anti-corruption
- Anti-money laundering
- Competition laws and regulations
- Intellectual property ("IP") and proprietary information
- Insider trading
- Email, internet and information systems
- Managing internal and external communication
- Company resources

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

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### Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure

The ABAC Policy and Procedure guides employees towards eliminating acts of bribery and corruption within the Group, while encouraging business partners and other relevant parties commit to the same high standards. The ABAC Policy and Procedure clearly states that the Company has zero-tolerance towards fraud, particularly in bribery and corruption, whether passive or active.

### Whistleblowing Policy and Procedure

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 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.

### Part II – Board Composition

#### Intended Outcome 4.0

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

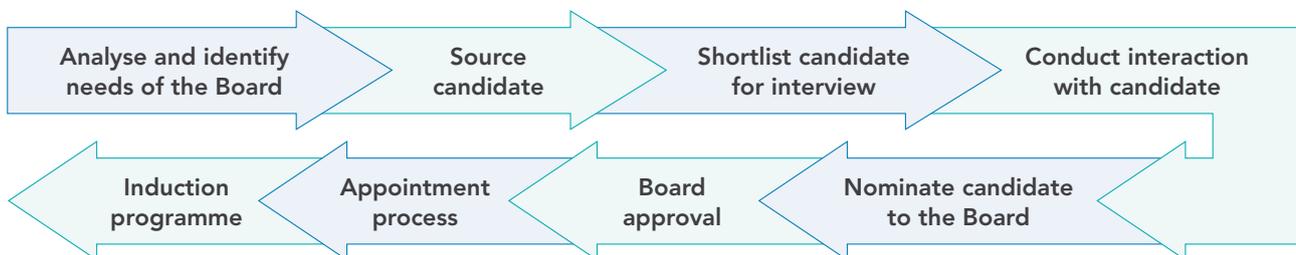
The Board currently comprises of ten (10) members, of whom, three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors, and five (5) are Independent Non-Executive Directors. The independence composition of the Board is 50%. Four (4) out of ten (10) directors (40%) are women. The Board believes an appropriate balance and mix of skills, knowledge, experiences, backgrounds and gender contributes to the effectiveness of the Board. The tenure of all five (5) Independent Directors is less than five 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.

### Diversity Policy and Procedure

The Diversity Policy and Procedure 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 and educational backgrounds, professional experience, skills and knowledge. The Board delegates the responsibility of promoting a corporate culture that embraces diversity to the Human Resource Department.

### Selection and appointment process

The NRC oversees the screening and selection of new directors as follows:



There were no new appointment of directors in FYE 2021.

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### Intended Outcome 5.0

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

The NRC conducted an annual evaluation on the effectiveness of the Board and Board Committees, evaluation of the individual performances of Directors, as well as reviewed the independence of Independent Directors. Additionally, the attendance of Directors at the Board and Board Committees meetings, time commitments and trainings attended were reviewed and considered.

The Board has approved the engagement of an independent consultant, Boardroom Corporate Services Sdn Bhd, to provide Board Evaluation Services for FYE 2020. The aim is to form an objective and candid evaluation of the Board and Board Committees, facilitated through evaluation forms and one-to-one interviews. Results are tabled to the NRC which subsequently reports the findings to the Board. The evaluation of the Board by the independent consultant will be conducted on a periodic basis, or as and when required.

Directors' Evaluation for FYE 2021 was facilitated by our 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.

None of the Directors exceed five (5) listed companies' directorships. With the exception of a Director who did not attend two Board meetings (one ad hoc arrangement), all other Directors achieved full attendance for Board Meetings held in FYE 2021.

The Board is satisfied with the overall performances of individual Directors, Group CEO, Board and Board Committees for the financial year under review, with improvement seen for the performance of the Board and Board Committees.

### Overview of Directors' evaluation

#### Positive highlights • Board configuration and rigour of Board deliberation

Board deliberations are conducted with a high level of rigour, professionalism and candour. Board is made up of highly skilled and experienced individuals from the respective areas of finance, accountancy, legal, risk management and oil & gas, which in turn, bring hard-edged skills and vast experiences to the Board. The Chairman of the Board is highly experienced and able to direct discussions on relevant matters while drawing constructive queries from members.

#### • Strategic planning and direction

Board is cognisant that unanimous focus on strategy planning forms the bedrock of the Company's long-term success and places strong emphasis on ensuring that strategic deliberations are thorough, effective and fruitful. Board is highly experienced in developing, reviewing, and re-charting corporate strategies for Yinson's growth and business sustainability. The Chairman of the Board and the Group CEO play pivotal roles in setting the right 'tone from the top'.

#### • Corporate governance, ethics and integrity

Board has set the right 'tone from the top' in striving to maintain the highest standards of governance and integrity in Yinson's overall culture. Management habitually embrace high transparency when it comes to reporting to the Board. Board is cognisant of the overarching impact of the evolving corporate liability topography and strives to enhance its whistleblowing mechanism.

#### • Financial administration and vigilance

Board's ability to prudently manage Yinson's financial affairs is an invaluable strength. Board's continuous success in providing financial oversight to the Company may be attributed to the Board's composition of high-calibre and experienced individuals who are luminaries in the ambit of accounting, investment, risk management and oil & gas.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

<b>Areas for improvement</b>	<ul style="list-style-type: none"> <li>• <b>Succession planning</b> Lack of focus on formulating a clear succession plan for the orderly succession for appointments to Senior Management.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Risk oversight</b> Board shall reassess the current risks management oversight of the Company. Whilst much focus has been given to projects/ commercial and financial risks, other critical risks such as technological, litigation and environmental risks are not given emphasis.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Information flow and Board administration</b> Shareholders' feedback during General Meeting shall be compiled and tabled to the Board for notation and taking necessary follow-up actions, if required.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Information system, technological adeptness and resilience</b> Board still lacks certain skill sets, particularly those pertinent to the area of information technology (i.e. potential threats to cyber security, system integrity and data breach). More weightage could be placed on keeping Directors well-informed, particularly in technological advancements and breakthroughs within the marine, offshore oil &amp; gas, renewables and green technologies industries.</li> </ul>

The training programme attended by Directors during FYE 2021 were as follows:

<b>Directors</b>	<b>Training programmes</b>
<b>Lim Han Weng</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Lim Chern Yuan</b>	<ul style="list-style-type: none"> <li>• Citi Virtual Pan Asia Investor Conference</li> <li>• Invest ASEAN Maybank Kim Eng</li> <li>• Invest Malaysia CIMB Bursa</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• RHB Regional Virtual Conference – Navigating Oil Price Volatility</li> <li>• 26<sup>th</sup> Annual CITIC CLSA Investors Forum</li> <li>• JP Morgan ASEAN Infrastructure and Energy Day</li> <li>• KAF Virtual Series: Automation &amp; Green Technology for Construction under New Normal</li> </ul>
<b>Bah Kim Lian</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Lim Han Joeh</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Dato' Mohamad Nasir bin AB Latif</b>	<ul style="list-style-type: none"> <li>• Governance and Risk – An Uncertain World, A Riskier Landscape – PwC Malaysia</li> <li>• Covid-19 Impact and Reporting – PwC Malaysia</li> <li>• Fide Core Module A for Banks – ICLIF Executive Education Centre</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• Enlightenment on the Syariah Resolutions issued by Syariah Advisory Council of BNM 2020 – Amanie Academy</li> <li>• Anti-Money Laundering and Counter Financing of Terrorism – RHB Berhad</li> <li>• Climate Action; The Board's Leadership in Greening the Financial Sector – FIDE</li> <li>• Islamic Finance for Board of Directors and Senior Management – ISRA Consulting</li> <li>• Malaysia Budget 2021 Review – KPMG</li> <li>• Anti-Corruption Awareness – Malaysia Airports Holdings Berhad</li> <li>• Recovery and Resolution Plan – RHB Academy</li> <li>• Information Security Awareness – RHB Academy</li> <li>• Anti-Bribery and Corruption – RHB Academy</li> </ul>

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<b>Dato' Wee Hoe Soon @ Gooi Hoe Soon</b>	<ul style="list-style-type: none"><li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li></ul>
<b>Raja Datuk Zaharaton binti Raja Zainal Abidin</b>	<ul style="list-style-type: none"><li>• Corporate Liability, Adequate Procedures and ISO 37001</li><li>• In-house Directors' Training – The New Normal; and Future of Renewable Energy</li><li>• Optimising Risk and Resilience Planning to manage Disruptions</li><li>• The Strategic Value of Sustainability</li><li>• Latest Updates on the MCCG, Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia and other relevant organisations</li><li>• Board of Directors' Workshop -<ul style="list-style-type: none"><li>(i) Presentation on New Section 17A of The Malaysian Anti-Corruption Commission Act by Mr Pang Mai Teck, Senior Superintendent, Corporate Anti-Corruption Compliance Centre, MACC</li><li>(ii) Strategic Risks under Board's Responsibility by Mr Rui Figueredo, Director &amp; Deloitte United Nations Team Asia Pacific Lead</li></ul></li><li>• Towards the Future with Confidence: Unpacking Budget 2021</li></ul>
<b>Datuk Abdullah bin Karim</b>	<ul style="list-style-type: none"><li>• Corporation Liability in relation to Section 17A, MACC Act 2019 &amp; Bribery Risk Assessment</li><li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li><li>• OTC Asia: Offshore Technology Conference</li></ul>
<b>Rohaya binti Mohammad Yusof</b>	<ul style="list-style-type: none"><li>• Shariah Investing Virtual Conference 2020 – Bursa Malaysia and CGS-CIMB</li><li>• BlackRock's Investment Institute Midyear Outlook 2020 Webcast</li><li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li><li>• TRMF: Technology Risk Management Framework and Cyber Threat 2020</li><li>• EPF Digital Transformation Workshop: Session 1 Cohort 1</li><li>• EPF Digital Transformation Workshop: Session 2 Cohort 1</li><li>• EPF Digital Transformation Workshop: Session 3 Cohort 1</li><li>• EPF Digital Transformation Workshop: Session 4 Cohort 1</li><li>• Bilateral Meeting BNM-EPF on Equity</li><li>• SHIFT 2020: Reimagining the Next Normal for Asia and the World</li><li>• WPS 2020, A New Approach for A New Decade</li><li>• Global Pensions Roundtable</li><li>• <i>Sesi Libat Urus Belanjawan</i></li><li>• Robeco's Webinar on Decarbonization</li><li>• EPF Management Conference 2020</li></ul>
<b>Sharifah Munira bt. Syed Zaid Albar</b>	<ul style="list-style-type: none"><li>• Mandatory Accreditation Programme for Directors of Public Listed Companies</li><li>• Adopt or Abort? Top 5 Strategies for Board of Directors to Implement AI</li><li>• Financial Oversight &amp; Assurance Post-Covid-19</li><li>• Corporate Governance Rule Amidst Covid-19</li><li>• Safeguarding the Business: Section 17A</li><li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li><li>• The Quiet Transformation of Corporate Governance</li><li>• The Role of Audit Committees in Ensuring Organisational Integrity, Risk &amp; Governance</li></ul>

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## Part III – Remuneration

**Intended Outcome 6.0**

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.

**Intended Outcome 7.0**

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.

Directors' fees and meeting allowances payable to Directors of the Company were recommended by the NRC for Board's consideration and consensus to be tabled for shareholders' approval at the AGM of the Company held on 16 July 2020. The structure of the fees/ allowances payable to the Directors of the Company for FYE 2021 is as follows:

<b>TYPES OF FEES/ ALLOWANCES</b>	<b>RM</b>
<b>Board fees</b>	
Non-Executive Director/ Independent Director	200,000/annum
Executive Director	50,000/annum
Chairman of the Board	60,000/annum
<b>AC/ BRMC fees</b>	
Committee Chairman fees	30,000/annum
Committee Member fees	20,000/annum
<b>Other Board Committees fees</b>	
Committee Chairman fees	20,000/annum
Committee Member fees	10,000/annum
<b>Meeting attendance allowance</b>	
Board Meeting and General Meeting allowances	2,000/meeting
Board Committees allowances	1,000/meeting

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Details of the Directors' remuneration (Company and Group basis) for FYE 2021 are as follows:

### Company and Group Level

	Fees RM'000	Salary RM'000	Benefits in Kind RM'000	Other Emoluments <sup>^</sup> RM'000	Total RM'000
<b>Executive Directors</b>					
Lim Han Weng	70.0	3,771.9	-	1,469.4	5,311.3
Lim Chern Yuan	81.5	3,241.9	-	1,292.3	4,615.7
Bah Kim Lian	50.0	489.0	-	204.9	743.9
<b>Non-Executive Directors</b>					
Lim Han Joeeh	200.0	-	-	16.0	216.0
Dato' Mohamad Nasir bin AB Latif	236.7	-	-	21.0	257.7
Dato' Wee Hoe Soon @ Gooi Hoe Soon	278.5	-	-	30.0	308.5
Raja Datuk Zaharaton binti Raja Zainal Abidin	270.0	-	-	30.0	300.0
Datuk Abdullah bin Karim	260.0	-	-	25.0	285.0
Rohaya binti Mohammad Yusof #	200.0	-	-	16.0	216.0
Sharifah Munira bt. Syed Zaid Albar	200.0	-	-	16.0	216.0
<b>Total</b>	<b>1,846.7</b>	<b>7,502.8</b>	<b>-</b>	<b>3,120.6</b>	<b>12,470.1</b>

<sup>^</sup> Comprises bonuses, meeting allowances, employer's provident fund contributions, social security welfare contributions and Employees' Insurance Scheme.

# 50% of the Director's fees for nominee of EPF on the Board of the Company is paid directly to EPF.

None of the Directors of the Company derived remuneration from subsidiaries of the Company.

The Directors who are also the Shareholders of the Company abstained from voting at the 27<sup>th</sup> AGM and will continue to abstain from voting at the upcoming 28<sup>th</sup> AGM on resolutions pertaining to their fees, benefits and re-election.

The remuneration of the Senior Management (Group basis) for FYE 2021 are as follows:

### Group Level

	Salary RM'000	Benefits in Kind RM'000	Other Emoluments <sup>^^</sup> RM'000	Total RM'000
Senior Management **	15,734.2	1,906.5	7,536.4	25,177.1

<sup>^^</sup> Comprises bonuses, employer's provident fund contributions, social security welfare contributions and Employees' Insurance Scheme.

\*\* Inclusive of Group CEO who is also an Executive Director.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Part I – Audit Committee

##### Intended Outcome 8.0

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.

The detailed report on the AC's composition, summary of terms of reference, and summary of work performed during the financial year under review can be found in pages 175 to 177 of the Annual Report 2021.

The terms of reference of the AC 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.

The AC is responsible for reviewing, assessing and monitoring the performance, suitability and independence of external auditors annually, in accordance with requirements set out in the External Auditor Policy and Procedure, to ensure continued independence and objectivity of the external auditors.

During the financial year under review, the AC conducted two (2) private sessions in March and December 2020 with internal and external auditors, EY and PwC, without the presence of Executive Directors and Management. The AC has obtained assurance from the outsourced internal auditor and external auditor confirming their independence. The Board has, on 28 April 2021, recommended the reappointment of PwC for Shareholders' approval at the forthcoming 28<sup>th</sup> AGM.

#### Part II – Risk Management and Internal Control Framework

##### Intended Outcome 9.0

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.

The Company's ERM framework and risk identification process is in line with the ISO 31000 Risk Management guidelines. A detailed report of the risk management and internal control framework is as per the Statement on Risk Management and Internal Control found on pages 170 to 174 of the Annual Report 2021.

The Board is of the view that the system of internal control and risk management is sound and adequate to mitigate risk exposure of the business and safeguard the interest of the Shareholders, employees, regulators and other stakeholders.

##### Intended Outcome 10.0

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

The IA function of the Group is carried out through a co-sourcing engagement by both the in-house IA Department and EY, who report directly to the AC.

The scope of work for the IA function is as set out in the Report on AC as found on pages 176 to 177 of the Annual Report 2021.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Part I – Communication with Stakeholders

##### Intended Outcome 11.0

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.

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:

- Meetings with institutional shareholders and investment communities;
- Quarterly announcements on financial results to Bursa Securities;
- Relevant announcements and circulars, when necessary;
- Annual and Extraordinary General Meetings; and
- Company's website at [www.yinson.com](http://www.yinson.com) which provides access to corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company.

#### Stakeholder Communication Policy and Procedure

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 that represent the Group fairly and accurately. 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.

#### Corporate Disclosure Policy and Procedure

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 accordance with applicable statutory and regulatory requirements. The Corporate Disclosure Policy and Procedure was reviewed and enhanced in December 2020, which included the following insertions:

- Exceptional circumstances that the Company may withhold, or delay disclosure of material information temporarily, provided that complete confidentiality is maintained;
- Measures to minimise leakage of information in ensuring that the Company maintain confidentiality at all times; and
- Policy on thorough public dissemination.

The Company via its Investor Relations team, conducts periodic analyst briefings and issues press releases as and when necessary, including 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.

The Company has dedicated the following electronic mails – [info@yinson.com](mailto:info@yinson.com) to which stakeholders can direct their queries or concerns, and [ir@yinson.com](mailto:ir@yinson.com) for investor relations purposes – to maintain transparency and effectively address concerns.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Part II – Conduct of General Meetings

#### Intended Outcome 12.0

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

#### Annual General Meeting

The AGM is the principal communication forum for Shareholders. 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 virtually by way of live streaming from a broadcast venue and online remote voting via Remote Participation and Voting (“RPV”) facilities. The 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 standard operating procedures issued by Majlis Keselamatan Negara (MKN).

All Directors attended the 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 Mr Lim Han Joeeh were physically present at the broadcast venue, at Pullman Studio 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur. 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.

The Chairs of the Board Committees were present at the 27<sup>th</sup> AGM to provide meaningful responses to various questions addressed to them. The shareholders were allowed to submit questions for the Chairman/ Board through a chat box embedded within the online meeting platform. The Group Financial Controller and External Auditors were also present at the 27<sup>th</sup> AGM to respond to any queries from shareholders/ proxies. Questions that were not addressed during the Question and Answer session due to time constraint were responded to via email to the respective shareholder/ proxy after the meeting.

The notice of the 27<sup>th</sup> AGM dated 29 May 2020 was published in the Annual Report 2020, advertised in The Star, released to Bursa Securities and uploaded onto the Company’s website. The published notice included Administrative Details which provided a guide for shareholders and proxies to understand and participate in a fully virtual General Meeting including but not limited to guidelines detailing the usage of RPV facilities, General Meeting Record of Depositors, Proxy, Poll Voting and Procedures for the RPV facilities. Shareholders were given sufficient time to make the necessary arrangements for appointing proxy(ies) to attend the 27<sup>th</sup> virtual AGM.

Voting by poll was implemented for all resolutions set out in the notice of the 27<sup>th</sup> AGM and Commercial Quest Sdn Bhd was appointed as the independent scrutineer to observe the polling procedures and verify the results.

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.

This CG Overview Statement was made in accordance with a resolution of the Board on 28 April 2021.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Other Compliance Information

#### 1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during FYE 2021.

#### 2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the Company's external auditors, PwC and its affiliates for the services rendered to the Group and the Company for FYE 2021, are as follows:

Particulars	Group RM'000	Company RM'000
Audit Fees	2,651	566
Non-Audit Fees	1,242	207
Percentage of Non-Audit Fees over Audit Fees	47%	37%

The Non-Audit services rendered by the external auditors were relating to the following:

#### Group Level

No.	Description	RM
1.	Professional services rendered in connection with income tax compliance	403,064
2.	Due diligence works rendered on business acquisitions and specific projects in certain countries	80,244
3.	Professional services rendered in connection with income tax advisory matters	604,782
4.	Professional services rendered in connection with other assurance related matters	153,420

#### Company Level

No.	Description	RM
1.	Professional services rendered in connection with income tax compliance	20,000
2.	Professional services rendered in connection with income tax advisory matters	159,039
3.	Professional services rendered in connection with other assurance related matters	28,000

#### 3. Material Contracts Involving Directors' and Major Shareholders' Interest

During FYE 2021, none of the Company and/ or its subsidiaries have entered into material contracts (not being contracts entered into in the ordinary course of business) involving interests of Directors and Major Shareholders of Yinson.

#### 4. Recurrent Related Party Transactions of a Revenue or Trading Nature

All recurrent related party transactions ("RRPTs") are dealt with in accordance with the Bursa Securities MMLR and a summary of RRPT Register is tabled for AC's review and monitoring on a quarterly basis.

All relevant processes and procedures are for ensuring that all related party transactions are monitored and conducted in a manner that is fair and at arms' length. The Directors and Major Shareholders who have interests in a transaction will abstain from deliberation and voting on said transaction at Board meetings and general meetings, if required.

The details of the RRPTs conducted during FYE 2021 between the Company and/ or its subsidiaries with related parties are disclosed on pages 287 to 288 of the Audited Financial Statements contained in the Annual Report 2021.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement outlines the nature and scope of the Group's risk management and internal controls for FYE 2021. This includes strategic, operational and compliance controls, as well as internal financial controls for safeguarding shareholder investments and Group assets. It ensures that we can continue to identify, evaluate, monitor and manage key risks that may affect achievement of our business objectives.

## BOARD RESPONSIBILITY

Yinson's Board of Directors ("Board") considers risk management as an integral part of business operations and acknowledges its responsibility towards maintaining a sound and effective system of risk management and internal control. The process is regularly reviewed by the Board in accordance with the *Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers*.

The Board also acknowledges that although the system cannot eliminate all risks, including material misstatement, loss and fraud, it is expected to safeguard the Group from risks identified in our overall risk profile.

Although the Board does not have formal oversight over the risk management and control systems of Yinson's joint ventures and associate companies, our interests are safeguarded through Board representations and/ or monitoring controls we imposed within these companies.

## Key developments in FYE 2021

Action plans for the Top 5 risks identified in FYE 2020 were implemented by risk owners and co-owners during FYE 2021

Progress on the action plans were reported to the Board via the Board Risk Management Committee ("BRMC") during quarterly BRMC meetings

Yinson's Governance, Risk Management and Compliance Department ("GRC") reviewed risk profiles and registers for Yinson's Kuala Lumpur, Singapore, Oslo and Ghana offices

GRC discussed functional risk areas with key risk owners and co-owners, focusing on controls and action plans for mitigation



It was identified that action plans for Investment Evaluation Risk were successfully implemented in FYE 2021, thus effectively lowering this risk for the Group

Investment Evaluation Risk was removed from Top 5 risks, and Project Delay Risk was identified as one of the Top 5

Significant progress was made towards the completion of action plans for the remaining Top 5 risks in FYE 2021. BRMC will continue to monitor these risks in FYE 2022 alongside other identified risks that may impact the Group

## RISK MANAGEMENT STRUCTURE

GRC is responsible for the coordination and implementation of the Group's Enterprise Risk Management ("ERM") Policy and Framework as well as monitoring and reporting of key risk issues to the Management Committee ("MC") and BRMC.

The Board approves the risk management strategies but delegates authority for day-to-day risk management decisions to Management and business unit heads. In fulfilling its oversight responsibility, the Board as a whole or through delegation to the MC and assisted by GRC, reviews the adequacy, integrity and implementation of appropriate systems for risk management.

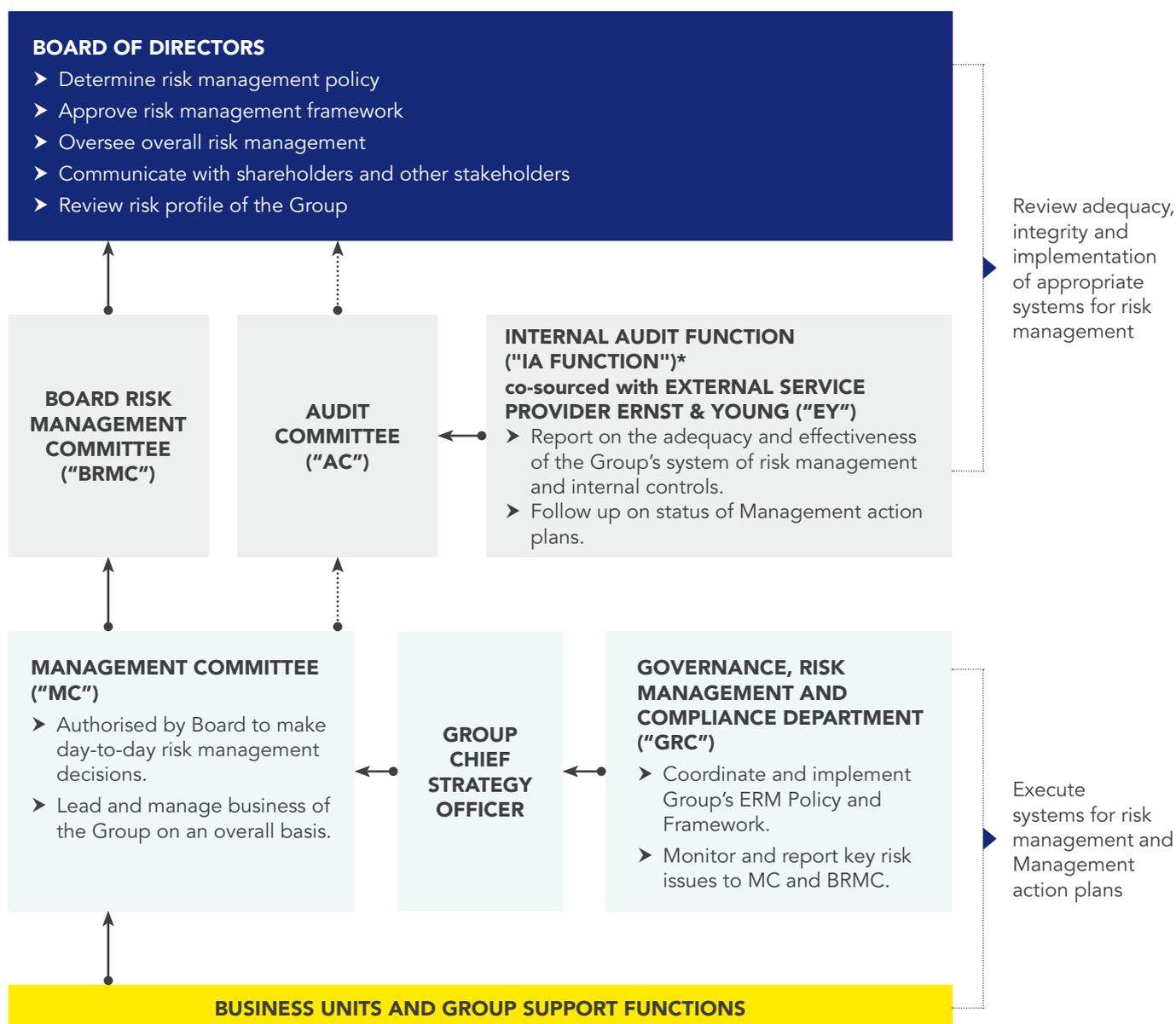
Yinson's ERM Policy and Framework identifies, evaluates, monitors and manages risks encountered by the Group. The Policy and Framework are ISO 31000 compliant.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Main processes of ERM Framework:

- Identification of each business risk.
- Assessment of identified risk.
- Steps to ensure the relevant risk responses are formulated to the key risks identified and managed in line with Group policies and strategies.
- Constant monitoring and communicating of key risks associated with any activity, function or process in a way that enables the Group to minimise losses and optimise opportunities.

### RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE



\* Head of Internal Audit has resigned with effect from 1 January 2021 and the management will continue the outsourcing of IA function with EY.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### THREE LINES OF DEFENCE MODEL

The Group adopts a 'Three Lines of Defence' approach for its risk management. It provides an overview of the Group's operations from a risk management perspective while assuring the ongoing success of risk management initiatives.



- Business units own and manage the risks as a first line of defence with their vast operational experience.
- The heads of business units are accountable for all risk and internal controls under their respective areas of responsibility.
- Based on the structured risk management approach, the business units apply relevant risk responses to their respective key risks.



- GRC provides an oversight and monitoring function as a second line of defence to facilitate the implementation and monitoring of an effective risk management framework within the Group.



- Internal Audit reviews the control effectiveness and provides independent assurance to the Board and Management on the effectiveness of the business units and support functions' governance, risk management and internal controls practices.

### KEY RISK FACTORS OF FYE 2021

RISK	DESCRIPTION	MITIGATION ACHIEVED IN FYE 2021
<b>Project Concentration Risk</b>	Some of the Group's contracts are coming to an end, potentially creating reliance on a small number of projects.	<ul style="list-style-type: none"> <li>• Continue pursuing other FPSO project tender bids and opportunities following the award of the FPSO Anna Nery (Marlim 2) project.</li> <li>• To drive the Renewables Division as one of the main revenue streams, where Yinson will build, own and operate renewable generating assets.</li> </ul>
<b>Project Cost Overrun Risk</b>	As FPSO projects are typically long-term in nature, project cost overruns could have a negative impact on the project profit margins and affect the cash flows of the Group.	<ul style="list-style-type: none"> <li>• Continuous review and improvement of project cost management.</li> <li>• Ongoing building of project team for FPSO Anna Nery (Marlim 2) project.</li> <li>• Ongoing digitalisation of business processes and systems (i.e. VRP system and tracking development system).</li> </ul>
<b>Project Delay Risk</b>	Monitoring and assessment of project schedule are necessary to ensure that projects proceed without interruption or delay. Inability to meet project schedule may impact project deliverables, subsequently leading to the incurrence of additional costs.	<p>To address the impact of the Covid-19 pandemic on the global supply chain, the Group is working closely with its vendors to maintain the timely achievement of project deliverables.</p> <ul style="list-style-type: none"> <li>• Actively collaborating with major key vendors on business continuity plans with increased communication to anticipate and mitigate potential issues which may cause project delays.</li> <li>• Consistently and efficiently reviewing and improving the quality of information shared via established communication platforms among all related parties.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK	DESCRIPTION	MITIGATION ACHIEVED IN FYE 2021
<b>Corporate Funding Risk</b>	Corporate funding covers working capital costs, equity injection and debt servicing of the Group. Inability to secure funding may lead to defaults on debt obligations or failure to meet repayment schedules.	<p>Successful fundraising through issuance of perpetual securities, refinancing of existing projects and monetising our investment in long-term FPSO projects through divestment to strategic partners.</p> <ul style="list-style-type: none"> <li>Working with Export Credit Agencies, strategic partners and financing the project with mixed equity (i.e. equity loan).</li> <li>Completed a USD800 million refinancing exercise for FPSO JAK and obtained a USD400 million bridge loan for FPSO Anna Nery (Marlim 2) project.</li> </ul>
<b>Cyber Security Risk</b>	Cyber security risk is the probability of exposure to leakage of confidential data or financial loss resulting from a cyberattack or data breach.	<ul style="list-style-type: none"> <li>Built a cyber security team comprising highly qualified personnel.</li> <li>Two policies approved by the Board namely, the Information Security Policy and Procedure and Data Privacy Policy and Procedure.</li> <li>Rollout of cyber security awareness training throughout the Group.</li> <li>Conducted an IT infrastructure review supported by an external consultancy to identify gaps and develop action plans to protect critical data from cyber security threats.</li> </ul>

### INTERNAL CONTROL STRUCTURE

Key elements of the Group's risk management and internal control structure are as follows:

<b>Board, Board Committees and Management Committee</b>	<ul style="list-style-type: none"> <li>The summarised roles and responsibilities of the Board, Board Committees and MC are found in the diagram above.</li> <li>These are further defined within their respective Terms of Reference, available on Yinson's website at <a href="http://www.yinson.com">www.yinson.com</a>.</li> </ul>
<b>Internal Audit, GRC, external service provider</b>	<ul style="list-style-type: none"> <li>The summarised roles and responsibilities of the IA function, GRC and external service provider and are found in the diagram above.</li> </ul>
<b>Defined structure, reporting line, authority and responsibility</b>	<p>The following aspects are clearly defined within our organisation structure:</p> <ul style="list-style-type: none"> <li>Reporting lines.</li> <li>Delegation of authority (including limit of authority).</li> <li>Responsibility.</li> <li>Accountability to Board Committees, including the AC, and business units.</li> </ul>
<b>Group Code of Conduct and Business Ethics</b>	<ul style="list-style-type: none"> <li>Defines the foundation and expectations relating to the Group's ethical standards and personal conduct.</li> <li>Includes other references such as the Anti-Bribery and Anti-Corruption Policy and Procedure, Anti-Money Laundering Policy and Whistleblowing Policy and Procedure.</li> </ul>
<b>Management Systems Standard</b>	<ul style="list-style-type: none"> <li>Key divisions and functions of the Group's operations are certified to ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007, International Safety Management (ISM) Code and International Ship and Port Security (ISPS) Code.</li> <li>Adherence to these certifications enables these divisions and functions to manage the safety and quality of our operations.</li> <li>Complements internal audits by management and annual surveillance audits by independent certification bodies.</li> </ul>
<b>Policies and procedures</b>	<ul style="list-style-type: none"> <li>Internal policies and procedures established and documented in manuals, then periodically reviewed, and revised in line with business, operational and mandatory requirements.</li> <li>New policies are tabled to MC for initial review, subsequently tabled to the AC and Board for final approval.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

<b>Review and monitoring process</b>	<p>The following meetings take place to monitor and review the Group's operations and performance, including financial results and forecasts for all business operations:</p> <ul style="list-style-type: none"> <li>• Regular management meetings between respective MC members and mid-level management teams.</li> <li>• Monthly management accounts reporting by the Finance Department.</li> <li>• Periodic MC meetings.</li> <li>• Quarterly Board and AC meetings with MC.</li> </ul>
<b>Recurrent Related Party Transactions ("RRPTs")</b>	<ul style="list-style-type: none"> <li>• RRPTs are dealt with in accordance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.</li> <li>• A summary of the RRPT Register is tabled for AC review on a quarterly basis.</li> </ul>

### Internal Audit function

The Group has an independent Internal Audit Department which updates the Board, through the AC, on the adequacy and effectiveness of the Group's system of internal control and management information system. EY has been appointed to co-source internal audit engagements to attain additional business insights and gain access to competencies to better match the Group's expanding operations.

The IA function adopts a risk-based approach when executing the internal audit plan, focusing on the Group's business units and functions. The IA function reports the outcome of its appraisal directly to the AC via internal audit reports. The IA function also conducts follow-up reviews on the status of Management's action plans. However, effective 1 January 2021, the Head of Internal Audit has resigned and the Management will continue the outsourcing of IA function with EY.

### BOARD'S COMMENTARY

For the financial year under review, the Board considers the system of risk management and internal controls described in this Statement to be satisfactory and has not resulted in any material loss, contingency or uncertainty, and risks are reasonably managed within the context of the Group's business environment. The Board is not aware and has not been made aware of any material weaknesses or lapses in the internal control system of the Group occurring within the financial year under review.

The Board has received assurance from the Group Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

The Board and MC will continue to take measures to strengthen the Group's risk management and internal control system.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement pursuant to the scope set out in the *Recommended Practice Guide ("RPG") 5 (Revised): Guidance for Auditors on Engagement* issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to consider whether this Statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 28 April 2021.

# REPORT ON AUDIT COMMITTEE

The Board is pleased to present the Report on Audit Committee for FYE 2021 in accordance with Paragraph 15.15 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements.

## TERMS OF REFERENCE

The Audit Committee (“AC”) is formally constituted within the AC Terms of Reference, available on the Company’s website at [www.yinson.com](http://www.yinson.com).

## COMPOSITION AND MEETINGS

The AC comprises Independent Non-Executive Directors, with all members having a working familiarity with basic finance and accounting practices. One member, Dato’ Wee Hoe Soon @ Gooi Hoe Soon, is a member of the Malaysian Institute of Accountants.

AC meetings are scheduled at least four (4) times a year with additional meetings scheduled as necessary. The AC met five (5) times in FYE 2021 as follows:

## COMPOSITION OF AUDIT COMMITTEE

Name/ Designation	Date of appointment	No. of meetings attended	%
Dato’ Wee Hoe Soon @ Gooi Hoe Soon Chairman, Senior Independent Non-Executive Director	11 August 2016	5/5	100
Raja Datuk Zaharaton binti Raja Zainal Abidin Member, Independent Non-Executive Director	11 August 2016	5/5	100
Datuk Abdullah bin Karim Member, Independent Non-Executive Director	16 October 2018	4/5	80
Dato’ Mohamad Nasir bin AB Latif Member, Independent Non-Executive Director	1 October 2020	1/1	100

AC meeting notices, reports and papers, wherever possible, are uploaded to a digital meeting software and disseminated to AC members at least seven (7) days before meetings, providing the AC with relevant facts and analyses to facilitate effective discussion and decision-making processes.

At the meetings, the AC reviews the risk management and internal control, financial reporting, internal and external audit functions within the Group. Minutes of meetings are duly recorded by the Corporate Secretary.

To avoid conflict of interests, AC members must declare any interests they may have in any matters arising at the meetings. They will be excluded from deliberations and decisions in such matters and will also abstain from voting on the related resolutions at AC/ Board/ general meetings of the Company.

## SUMMARY OF WORK PERFORMED

In FYE 2021, the AC carried out its duties in accordance with its terms of reference and the activities are summarised as follows:

### a) Risk Management and Internal Control

- Reviewed the adequacy and effectiveness of the Group’s risk management, internal control system and management information system.
- Reviewed the extent of compliance with established internal policies, standards, plans, procedures, laws and regulations.
- Recommended to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors.
- Discussed and reviewed risk profile.

## REPORT ON AUDIT COMMITTEE

### b) Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group, prior to its release to Bursa Securities.
- Reviewed the annual audited financial statements of the Group together with external auditors' management letter and management's response.
- Reviewed the application of major accounting policies and practices to ensure that the Group's financial statements had been prepared in compliance with approved accounting standards and that the Company adhered to all legal and regulatory requirements.

### c) Internal Audit

- Reviewed and approved the proposed revisions to the Internal Audit Charter.
- Reviewed and approved the internal audit plan.
- Reviewed and approved the Group Internal Audit's staffing requirements and budget to ensure adequacy of resources and competencies of the department.
- Discussed with the internal auditors on its scope of work, functions, adequacy and competency of resources and coordination with external auditors.
- Conducted two (2) private sessions with internal auditors in March and December 2020 respectively, without the presence of Executive Directors and/ or Management.
- Reviewed the reports prepared by the internal auditors on the state of internal control of the Group.
- Monitored the outcome of the audits and follow-up audits conducted to ascertain all action plans were adequately implemented to address the key risks.
- Assessed the performance of the Internal Audit function ("IA function") and reviewed its effectiveness in the audit process.

### d) External Audit

- Discussed with the external auditor the annual audit plan, nature and scope of audit as well as audit procedures, prior to the commencement of audit.
- Conducted two (2) private sessions with external auditors in March and December 2020 respectively, without the presence of Executive Directors and/ or Management.
- Reviewed the external auditors' audit findings for FYE 2021.
- Reviewed with the external auditors the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.
- Reviewed the overall performance of the external auditors, including assessment of their independence, technical competency, resources and reasonableness of their audit fees and non-audit fees.

### e) Other matters

- Prepared Report on Audit Committee for the Board which includes the composition of the AC, the reference to its terms of reference, number of meetings held, a summary of its works and a summary of the works of the IA function for inclusion in the Annual Report.
- Verified criteria for allocation of share options to eligible employees for FYE 2020 under ESS.
- Reviewed and monitored the Recurrent Related Party Transactions.
- Reviewed and recommended the dividend pay out.

## INTERNAL AUDIT FUNCTION

The Group's IA function is carried out via a co-sourcing engagement between the Group's in-house Internal Audit Department ("IAD") and Ernst & Young Advisory Services ("EY"). The IA function assists the AC in its duties and responsibilities and is free from any relationships or conflicts of interest, thus retaining its objectivity and independence. IAD and EY report directly to the AC on the adequacy and effectiveness of the Group's internal controls. The AC is aware that an independent and adequately resourced IA function is essential to obtaining assurance on the effectiveness of the system of internal control.

## REPORT ON AUDIT COMMITTEE

IAD is staffed by two audit executives, including the Head of IAD, while the co-sourced team from EY comprises two to three persons for each visit conducted with IAD. The IAD is led by Head of IAD, Liew Ching Hin, who joined Yinson in 2006 and was appointed as Head of IAD on 3 January 2013. He graduated from University of Adelaide (Australia) with a Bachelor of Finance in 2000 and is an associate member of IIAM. He has 18 years of experience in the field of internal audit. *(Note: Liew Ching Hin resigned from the IA function effective from 1 January 2021 and the Management will continue the outsourcing of IA function with EY)*

IAD staff were provided with relevant training to keep them abreast with the developments in the profession, relevant industry and regulations. The training courses attended by IAD staff in FYE 2021 included training provided by IIAM, CPA and in-house workshops.

The IA function performs in accordance with the principles of the International Professional Practice Framework on internal auditing covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on audit concerns.

The IA function carried out audits according to the internal audit plan which had been approved by the AC. Internal audits were carried out to provide assurance that internal controls are established and operating as intended to achieve effective and efficient operations while adhering to applicable policies, guidelines and procedures.

IA function conducted independent reviews and risk exposure evaluations relating to the operations and management information system. In performing such reviews, recommendations for improvements and enhancements to the existing internal control system and work processes were made.

The Head of IAD and/ or EY co-sourced team attended all AC meetings in FYE 2021 while the internal audit reports, incorporating audit recommendations and management's responses, were issued to the AC and the management of the respective operations. The Management is responsible for ensuring that corrective actions are taken within the required timeframe and all findings identified by IA function were tracked and followed up on a quarterly basis with the status of the implementation reported to the AC accordingly.

The internal audit activities carried out in accordance with the approved internal audit plan for FYE 2021 were in the following areas:

1. Ghana and Nigeria country-level operations.
2. Human Resource management.
3. Miri office and FPSO Helang operations.
4. Brazil and Netherlands (country office set up) and business resilience.

In FYE 2021, the Chairman of the AC highlighted the key audit issues, and recommended the decision and resolutions made at the AC meetings for the approval of the Board.

The total cost incurred for maintaining the IA function for the year under review was approximately RM800,000.

This Report on Audit Committee was made in accordance with the approval of the Board on 28 April 2021.

## STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021, and of the results and cash flows of the Group and of the Company for the financial year then ended, in accordance with the requirements of Malaysia Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Companies Act 2016.

In preparing the financial statements, the Directors have:

- used appropriate accounting policies that are consistently applied;
- made judgments and estimates that are prudent and reasonable with advice from certain industry professionals where applicable;
- ensured that all applicable MFRS and IFRS reporting requirements have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company.

The Directors are also responsible for safeguarding the assets of the Group and the Company by taking reasonable steps for preventing and detecting of fraud and other irregularities.