



GOVERNANCE

- 183** Corporate Governance Overview Statement
- 199** Statement On Risk Management & Internal Control
- 205** Report On Audit Committee
- 207** Statement On Directors' Responsibility

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 2021 ("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 2022.

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 2022 except for Practice 8.2 (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.

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

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Part I - Board Responsibilities

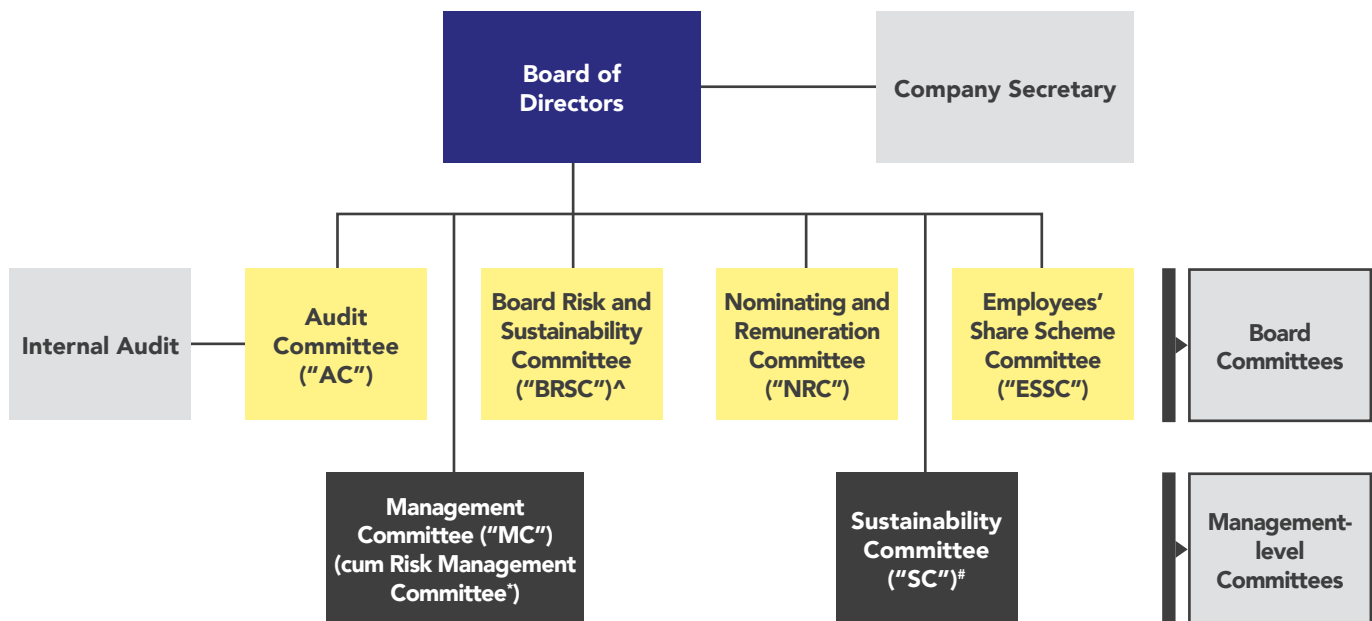
Intended Outcome 1.0

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



^ The name of Board Risk Management Committee has been changed to Board Risk and Sustainability Committee ("BRSC") with effect from 17 December 2021.

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

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

Board's main responsibilities

- Reviews and adopts a strategic plan, as developed by Management, taking into account the sustainability of the businesses of the Group, with attention given to climate-related and environmental, social, and governance ("ESG") aspects of the operations.
- Oversees the conduct of the Group's businesses, including monitoring Management's performance to determine whether the business is being properly managed.
- Identifies principal business risk faced by the Group and ensures the implementation of appropriate internal controls and mitigating measures to manage such risks.
- Succession planning – ensures that all candidates appointed to Board and Senior Management positions are of sufficient calibre and that there are programmes deployed to provide for the orderly succession of members of the Board and Senior Management.
- Oversees the development and implementation of an Investor Relations Programme or Stakeholder Communication Policy.
- Reviews the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance.
- Ensures 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 & responsibilities

Chairman	<ul style="list-style-type: none"> • Provide leadership and direction to the Board to achieve Board effectiveness. • Liaise between Board and Management as well as Shareholders.
Group CEO	<ul style="list-style-type: none"> • Formulate and implement Group's business strategies. • Oversee implementation of policies and decisions adopted by the Board. • Supervise day-to-day management, operations and business development of the Group.
Non-Independent Non-Executive Directors	<ul style="list-style-type: none"> • Monitor Company's performance by overseeing Management's performance. • 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independent Non-Executive Directors	<ul style="list-style-type: none"> • Provide objective and independent views and advice to safeguard the interests of the Company and Minority Shareholders. • Provide a broader view, independent assessments and opinions on Management proposals and strategies.
Senior Independent Non-Executive Director	<ul style="list-style-type: none"> • Highlight concerns of the Board that are sensitive to the Chairman. • 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.
Company Secretary	<ul style="list-style-type: none"> • 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 & 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 AGM during FYE 2022 are as below:

NAME	TYPE OF MEETING					
	BOARD	AC	BRSC	NRC	ESSC	AGM
Lim Han Weng	7/7				1/1	1/1
Lim Chern Yuan	7/7		4/4		1/1	1/1
Bah Kim Lian	7/7					1/1
Lim Han Joeh	7/7					1/1
Dato' Mohamad Nasir bin Ab Latif	7/7	5/5	4/4			1/1
Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon	7/7	5/5	4/4	4/4	1/1	1/1
Raja Datuk Zaharaton binti Raja Zainal Abidin	7/7	5/5	4/4	4/4	1/1	1/1
Datuk Abdullah bin Karim	7/7	5/5	3/4	4/4	1/1	1/1
Rohaya binti Mohammad Yusof	7/7					1/1
Sharifah Munira bt. Syed Zaid Albar	7/7					1/1
Gregory Lee *	2/2					

* Appointed as an Independent Non-Executive Director with effect from 1 October 2021.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees' roles & responsibilities

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

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

Key activities of the Board, Board Committees & Management-level Committees

Board	<ul style="list-style-type: none"> • Approved budget and strategic business plans. • Reviewed, approved and received updates on business projects. • Reviewed and approved various Charters, Terms of References, Policies & Procedures, and Revised Limit of Authority. • Reviewed and approved Annual Report content and CG Report. • Approved declaration of interim dividend and recommended final dividend for shareholders' approval at AGM. • Reviewed and approved Sustainability Policy and strategies. • Approved Board Evaluation and recommended re-election of Directors at AGM. • Approved quarterly financial results. • Approved Audited Financial Statements. • Received updates on Key Risk Indicators ("KRI") and Action Plans of the top five (5) risks of the Group. • Reviewed and approved Internal Audit Plan. • Received Internal Audit Reports and Internal Audit Budget. • Received External Auditors' Report. • Reviewed and approved the Register of Recurrent Related Party Transactions. • Reviewed shares purchased pursuant to renewal of share buy-back authority. • Reviewed solvency position of the Company for dividend and share buy-back. • Recommended the re-appointment of External Auditors at AGM. • Received External Auditors' IT General Control ("ITGC") audit findings. • Reviewed and approved the remuneration package of the Executive Directors and Senior Executive Remuneration (Annual Salary & Bonus Review). • Reviewed and approved Senior Executive Succession Plan. • Reviewed and approved renewal of Directors and Officers Indemnity Insurance. • Reviewed and approved Cybersecurity Risk Management. • Established good CG practices.
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

AC	<ul style="list-style-type: none"> • Reviewed Internal Audit Plan and Internal Audit Reports. • Reviewed quarterly financial results. • Reviewed and approved Audit Planning Memorandum for external audit. • Reviewed the application of major accounting policies and practices in compliance with approved accounting standards. • Reviewed Audit Fees. • Reviewed and approved Internal Audit Budget. • Reviewed Audited Financial Statements. • Reviewed Register on Recurrent Related Party Transactions. • Reviewed risk profile and 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. • Conducted private sessions with external auditors and internal auditors without presence of the Executive Directors and Management. • Evaluated performance of External Auditors. • Reviewed performance of IA function. • Received External Auditors' Report. • Reviewed and approved the proposed revisions to the Internal Audit Charter. • Reviewed revised Terms of References, Policies & Procedures, and new Project Execution Limit of Authority. • Verified criteria for allocation of share options to eligible employees for the FYE 2022 under the ESS. • Reviewed AC Report and Statement of Risk Management and Internal Control for inclusion in the Annual Report. • Received External Auditors' ITGC audit findings. • Reviewed and recommended the dividend pay out.
BRSC	<ul style="list-style-type: none"> • Reviewed Terms of Reference of the BRSC. • Reviewed Enterprise Risk Management ("ERM") Policy Statement and Framework. • Received updates on the status on Risk Action Plans and KRIs for the top five (5) risks of the Group. • Received updates on the status on Corporate Risk Profile of the Group. • Received updates on the status on Sustainability Plan. • Received updates on the status on the ISO 37001 ABMS Implementation. • Received updates on Compliance-related matters. • Reviewed and approved ABMS Audit Plan. • Received updates on ongoing sustainability initiatives. • Reviewed sustainability Terms of Reference, Policy, report and strategies.
NRC	<ul style="list-style-type: none"> • Reviewed annual performance of individual Directors, Group CEO, Board and Board Committees. • Reviewed re-election of Directors. • Reviewed Directors' fees and benefits. • Reviewed Senior Executive Remuneration. • Conducted private sessions between NRC and Group Human Resource Director. • Reviewed remuneration package of the Executive Directors and Senior Management. • Received update on the Short Term Incentives Policy and Approach. • Reviewed Senior Management Succession Plan. • Reviewed composition of Board and Board Committees. • Reviewed various Terms of References and Policies & Procedures. • Reviewed and assessed the appropriateness of a new candidate for Board/Board Committee/Senior Management positions. • Reviewed Senior Management Key Performance Indicators. • Reviewed Senior Management Remuneration Reporting in Annual Report.
ESSC	<ul style="list-style-type: none"> • Reviewed and approved fifth Offer of Share Options.
MC	<ul style="list-style-type: none"> • Overseen the Group's day-to-day operations and business affairs towards achieving corporate objectives and goals. • Reviewed the Group's business strategies, plans, policies and frameworks. • Identified principal business risks faced by the Group and ensure appropriate internal controls and mitigating measures are implemented to manage such risks.
SC	<ul style="list-style-type: none"> • Provided support and advice regarding the embedding of sustainability principles and practices throughout the Group's overall business strategies, policies, processes and practices. • Oversaw sustainability-related management processes, standards and strategies towards achieving compliance with social and environmental responsibilities and commitments. • Supported the Board in meeting stakeholders' sustainability expectations. • Steered the Group towards qualifying for Sustainability Index in Malaysia and globally. • Reviewed Net Zero Roadmap, Yinson's Climate Report, Terms of Reference, Policy and Updated Materiality Matrix FYE 2022. • Received updates on ongoing sustainability initiatives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has adopted a revised Terms of Reference of BRMC in April 2020 which has been further amended as Terms of Reference of BRSC in December 2021 comprising the following additional duties and responsibilities assigned by Board:

- Review and recommend strategies to appropriately manage climate-related risks;
- 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 ESG ratings;
- Review the Group's Anti-Bribery Management System ("ABMS") to ensure the Group has put in place adequate measures to mitigate bribery risk; and
- Review regular compliance reports from the Governance, Risk Management and Compliance ("GRC") 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' of the Annual Report from pages 120 to 135.

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 & Business Ethics Policy & Procedure

The Group's COBE Policy & Procedure outlines the foundation and expectations in relation to ethical standards and personal conduct. The COBE Policy & Procedure, which includes other references such as the Group's ABAC Policy & Procedure, AML Policy and Whistleblowing Policy & 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 & 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 & 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 & Procedure and uphold integrity to exercise good judgement when carrying out their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Anti-Bribery & Anti-Corruption Policy & Procedure

The Anti-Bribery & Anti-Corruption ("ABAC") Policy & 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 & Procedure clearly states that the Company has zero-tolerance towards fraud, particularly in bribery and corruption, whether passive or active.

Whistleblowing Policy & Procedure

The Whistleblowing Policy & Procedure was enhanced in July 2021 to allow anonymous reporting, in line with the ISO 37001 ABMS standards. This Policy & 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.

Intended Outcome 4.0

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Yinson has put a sound and efficient governance structure in place to guide and manage sustainability-related matters as part of its existing corporate governance structure. The success of the governance structure is the result of sustainable leadership from our Board and Senior Management, which collectively forms our leadership team.

The leadership team supports our Climate Goals, which is to be carbon neutral by 2030 and net zero by 2050. This has enabled Yinson to focus on good environmental stewardship and strive towards achieving sustainability leadership within our industry. We believe this strategic focus will preserve our long-term value to our stakeholders and support our successful transition into the low-carbon economy.

Yinson has updated several internal governance documentations to enhance sustainability and climate-related risk governance at Board and Management level. The updated documents include Board Charter, Committee-level Terms of Reference and Sustainability Policy. Subsequently, Board Risk Management Committee has also been renamed to Board Risk and Sustainability Committee to reflect the enhanced responsibilities of the committee on managing sustainability, including climate-related risks and opportunities. To ensure effective management of the Board's functions and duties on climate-related issues, the Board has delegated climate-related responsibilities to BRSC, with ultimate accountability tied to the Chairman of BRSC. In turn, the BRSC receives input from the MC and Sustainability Committee.

Yinson's sustainability strategies, priorities and targets as well as performance towards these targets are communicated to its internal and external stakeholders regularly via:

- Annual Report
- Yinson Townhall by Senior Management
- Analyst and Investors Presentation updates
- Media release
- Corporate website
- Trainings

In addition, Yinson's commitment to climate initiatives has also been set out in its Annual Report 2022 and Yinson Climate Report for the information of its internal and external stakeholders.

The Board through the NRC assessed the training programmes attended by each Director during the financial year to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

With the ever-growing emphasis on sustainability as well as the increased expectations for the Company to behave responsibly, the Board will continue be engaging with subject matter experts from external and internal to ensure that the Board have the knowledge in supporting the Company to lift their sustainability focus to a sustainable strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Part II – Board composition

Intended Outcome 5.0

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

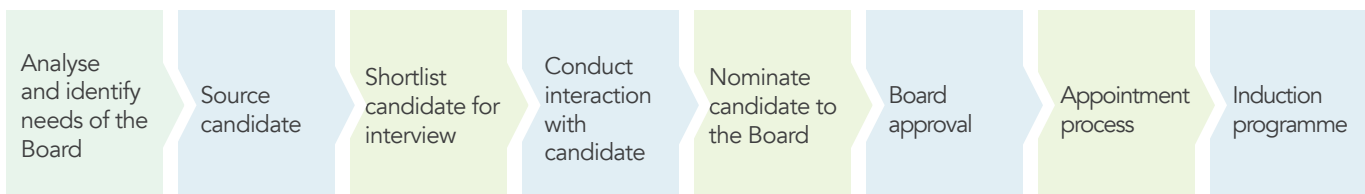
The Board currently comprises of eleven (11) members, of whom, three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors, and six (6) are Independent Non-Executive Directors. The composition of the independent directors is 54.55%. Four (4) out of eleven (11) directors (36.36%) are women. Hence, the Company meets the requirement of having a majority of independent directors. 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 six (6) Independent Directors are less than six consecutive years. The profiles of the Directors are provided on pages 20 to 25, and Board Diversity charts can be found on page 20 of the Annual Report 2022.

Diversity, Equality And Inclusion Policy & Procedure

The DEI Policy & Procedure approved and adopted in December 2021 outlines the approach to achieve equity, diversity and inclusion across the business, communities and with all stakeholders. This policy applies to the Board, Senior Management, officers and employees of the Group. In designing the composition of the Board and Senior Management, diversity is considered from several aspects including age, colour, disability, ethnicity, family or marital status, gender, language, national origin, physical and/or mental ability, race, religion, status, and other characteristic. The Board delegates the responsibility of promoting a corporate culture that embraces diversity to the Human Resource Department and Group Chief Executive Officer. The DEI Policy & Procedure is available on the Company's website at www.yinson.com.

Selection & appointment process

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



During the financial year under review, in cognisance of the importance of continuous development and keeping pace with transformation of technology, the NRC, after due consideration on the potential candidate who was solicited through an autonomous technology platform by Group Chief Executive Officer, had recommended to the Board the appointment of Mr Gregory Lee as Independent Non-Executive Director of the Company. Mr Gregory Lee with his exceptional knowledge and experience particularly in information technology, strategy and investment with proven and consistent track records in his senior roles in multinational corporations and conglomerates, would strengthen the composition, dynamic and diversity of the Board and consequently, continue to uplift the effectiveness of the Board by discharging his duties and responsibilities as well as enhance the quality of decision making and performance of the Board as a whole.

Intended Outcome 6.0

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 at least once every three years, or as and when required.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Evaluation for FYE 2022 was facilitated by our in-house Corporate Secretary Department. An executive summary of Board Evaluation for FYE 2022 was generated, and results were tabled at the NRC meeting held on 28 March 2022, which in turn reports the findings and action plans for Board's approval.

None of the Directors exceed five (5) listed companies' directorships. All Directors achieved full attendances in Board Meetings held in FYE 2022.

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	<ul style="list-style-type: none"> <p>Board configuration and rigour of Board deliberation</p> <p>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.</p> <p>Strategic planning and direction</p> <p>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'.</p> <p>Corporate governance, ethics and integrity</p> <p>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 embraces 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.</p> <p>Financial administration and vigilance</p> <p>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.</p>
Areas for improvement	<ul style="list-style-type: none"> <p>Succession planning</p> <p>A clear succession plan for the orderly succession for appointment to Chairman shall be formulating to ensure the Company overcomes any transition it may face. The sophisticated planning of Chairman succession promotes resilience and ensures continued success.</p> <p>Risk oversight</p> <p>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, environmental and resources risks are given less emphasis.</p> <p>Information flow and Board administration</p> <p>Shareholders' feedback during General Meeting shall be compiled and tabled to the Board for notation and taking necessary follow-up actions, if required.</p> <p>Information system, technological adeptness and resilience</p> <p>Board still lacks certain skill sets particularly those pertinent to the areas of information technology (i.e. potential threats to cybersecurity, system integrity and data breach). There could be more weightage placed on keeping Directors well-informed, particularly in technological advancements and breakthroughs within the marine, offshore, oil & gas, renewables and green technologies industry.</p> <p>Appropriate skills and governance process for effective ESG oversight</p> <p>Lack of relevant expertise on ESG among Board members to address what is on the horizon for ESG and stay ahead of the rapidly changing environment. Board needs to critically evaluate their collective skill set and oversight process with respect to ESG in view that ESG evolves and potentially becomes a bigger driver of shareholder value. With the riding on the Company's successful implementation and governance of ESG, Board will benefit greatly from continuing education as the Board carries out oversight responsibilities.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The training programmes attended by Directors during FYE 2022 were as follows:

DIRECTORS	TRAINING PROGRAMME
Lim Han Weng	<ul style="list-style-type: none"> In-house directors' training – ABAC training on Section 17(A) In-house directors' training – Adapting to the New Normal: Lessons for the Board In-house directors' training – ESG
Lim Chern Yuan	<ul style="list-style-type: none"> In-house directors' training – ABAC training on Section 17(A) LAW Series Webinar: Overview on ABMS In-house directors' training – Adapting to the New Normal: Lessons for the Board Carbon Neutral 2030 & Net Zero 2050 Roadmap Introduction to Climate Change In-house directors' training – ESG JP Morgan Sustainable Investment Summit The Equation Behind Climate Change
Bah Kim Lian	<ul style="list-style-type: none"> In-house directors' training – ABAC training on Section 17(A) In-house directors' training – Adapting to the New Normal: Lessons for the Board In-house directors' training – ESG
Lim Han Joeh	<ul style="list-style-type: none"> In-house directors' training – ABAC training on Section 17(A) In-house directors' training – Adapting to the New Normal: Lessons for the Board In-house directors' training – ESG
Dato' Mohamad Nasir bin Ab Latif	<ul style="list-style-type: none"> Section 17A and Adequate Procedures FIDE Program: Banks Core Module B MFRS17: Insurance Contract In-house directors' training – AABAC training on Section 17(A) Defending Your Company & Keeping Up To Date With "Key Cybersecurity Risks" In-house directors' training – Adapting to the New Normal: Lessons for the Board Governance and ERM and Including MCCG 2021 Considerations Adapting to the New Normal Internal Capital Adequacy Assessment Process (ICAAP) In-house directors' training – ESG Khazanah Mega Trends The Convergence of ESG & Shariah: FTSE4GOOD Bursa Malaysia Shariah Digital Transformation in Islamic Finance towards Shariah Compliance Climate Change: Impact on Banks & Role of the Board Federal Budget 2022
Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon	<ul style="list-style-type: none"> In-house directors' training – ABAC training on Section 17(A) Board Knowledge Sharing Session on Behavioral Insights In-house directors' training – Adapting to the New Normal: Lessons for the Board Microsoft Teams Onboarding Session (Invitation) Board & Leadership Talk Series: Best Practice in Pension Design EPF board & leaderships talk series #4 In-house directors' training – ESG Board & Leadership Talk Series #5: Data Culture Board & Leadership Talk Series #6: Managing Cyber Risk in a Rapidly Evolving Threat Landscape Private Equity Training
Raja Datuk Zaharaton binti Raja Zainal Abidin	<ul style="list-style-type: none"> In-house directors' training – ABAC training on Section 17(A) Malaysian Code of Corporate Governance (2021 Revision) In-house directors' training – Adapting to the New Normal: Lessons for the Board Environmental Social Governance – risk management briefing In-house directors' training – ESG Board of Directors' Workshop: <ul style="list-style-type: none"> a) Embracing Disruption b) Current Challenges in the CG Landscape Senior Management's presentation on business overview AMLA and Anti-Bribery and Anti-Corruption

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Datuk Abdullah bin Karim	<ul style="list-style-type: none"> • In-house directors' training – ABAC training on Section 17(A) • In-house directors' training – Adapting to the New Normal: Lessons for the Board • EGC HSE Virtual Toolbox Talk • In-house directors' training – Environmental, Social and Governance (ESG) • EGC Cyber Crime Prevention HSE Awareness • Board Assessment – A Key Cog in an Effective Governance Structure • Integrity Training Session for the Board • PETRONAS Knowledge Management – Sharing an Analytics
Rohaya binti Mohammad Yusof	<ul style="list-style-type: none"> • In-house directors' training – ABAC training on Section 17(A) • MAS-BIS conference on macro-financial stability policy • SIDC SRI 2021 Virtual Conference Suite Talk Briefing • Suite Talk Preliminary Discussion – ESG Investment Growth and Performance before and after the Pandemic – Sustainability with Profitability (SRI 2021 Virtual Conference) • Pension Bridge Altinvestor APAC 2021 • IPE Real Estate Global Conference 2021 – Speaker & Panel • IPE Real Estate Vimeo Link: Panel – Carbon net zero • In-house directors' training – Environmental, Social and Governance (ESG) • Khazanah Megatrends Forum 2021 • MAHB Board Induction Programme • SC's Sustainable Finance Week panel discussion: How Malaysia has developed an Equity Market that Emphasises Sustainability • International Social Wellbeing Conference 2021
Sharifah Munira bt. Syed Zaid Albar	<ul style="list-style-type: none"> • M&A Due Diligence: From Legal and Risk Perspectives • In-house directors' training – ABAC training on Section 17(A) • How to be an Effective NED in a Disruptive World • MCCG Revision 2021 – Changing the Game in Corporate Governance • In-house directors' training – Adapting to the New Normal: Lessons for the Board • In-house directors' training – Environmental, Social and Governance (ESG) • Masterclass: Climate Governance from a Risk Viewpoint
Gregory Lee	<ul style="list-style-type: none"> • In-house directors' training – Environmental, Social and Governance (ESG) • Mandatory Accreditation Program for Directors of Public Listed Companies

Part III – Remuneration

Intended Outcome 7.0

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 8.0

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 15 July 2021. The structure of the fees/allowances payable to the Directors of the Company for the FYE 2022 is as follows:

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

Details of the Directors' remuneration (Company and Group basis) for FYE 2022 are as follows:

COMPANY AND GROUP LEVEL	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits in Kind RM'000	Others Emoluments [^] RM'000	Total RM'000
Executive Directors							
Lim Han Weng	70.0	17.0	4,144.5	980.1	-	923.0	6,134.6
Lim Chern Yuan	80.0	21.0	3,461.9	823.7	-	772.3	5,158.9
Bah Kim Lian	50.0	16.0	534.6	148.2	-	123.5	872.3
Non-Executive Directors							
Lim Han Joeh	200.0	16.0	-	-	-	-	216.0
Dato' Mohamad Nasir bin Ab Latif	250.0	25.0	-	-	-	-	275.0
Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon	280.0	30.0	-	-	-	-	310.0
Raja Datuk Zaharaton binti Raja Zainal Abidin	270.0	30.0	-	-	-	-	300.0
Datuk Abdullah bin Karim	260.0	29.0	-	-	-	-	289.0
Rohaya binti Mohammad Yusof #	200.0	16.0	-	-	-	-	216.0
Sharifah Munira bt. Syed Zaid Albar	200.0	16.0	-	-	-	-	216.0
Gregory Lee	67.4	4.0	-	-	-	-	71.4
Total	1,927.4	220.0	8,141.0	1,952.0	-	1,818.8	14,059.2

[^] Comprises 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 and person connected with the said Directors, who are also the Shareholders of the Company had abstained from voting at the previous 28th AGM and will continue to abstain from voting at the upcoming 29th AGM on resolutions pertaining to their fees, benefits and re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The remuneration of the Senior Management (Group basis) for FYE 2022 are as follows:

GROUP LEVEL	Salary RM'000	Benefits in Kind RM'000	Other Emoluments ^{^^} RM'000	Total RM'000
Senior Management ^{**}	17,746.5	3,217.0	10,827.5	31,791.0

^{^^} Comprises bonuses, allowances, employer's provident fund contributions, social security welfare contributions and Employees' Insurance Scheme.

^{**} Inclusive of Group CEO who is also an Executive Director.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – Audit Committee

Intended Outcome 9.0

There is an effective and independent AC. The board is able to objectively review the AC'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 205 to 206 of the Annual Report 2022.

The terms of reference of the AC requires a former key audit partner to observe a cooling-off period of at least three (3) 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 & Procedure, to ensure continued independence and objectivity of the external auditors.

During the financial year under review, the AC conducted three (3) private sessions in March, June and December 2021 with internal auditors, EY and two (2) private sessions in March and December 2021 with external auditors, PricewaterhouseCoopers PLT ("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 2022, recommended the reappointment of PwC for Shareholders' approval at the forthcoming 29th AGM.

Part II – Risk Management and Internal Control Framework

Intended Outcome 10.0

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 ("SORMIC") found on pages 199 to 204 of the Annual Report 2022.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Intended Outcome 11.0

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 reports directly to the AC.

Internal compliance team will conduct half yearly audit on the anti-bribery system which is in line with ISO 37001 ABMS.

The scope of work for the IA function is as set out in the Report on AC as found on pages 205 to 206 of the Annual Report 2022.

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

Part I – Engagement with stakeholders

Intended Outcome 12.0

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 ("EGM"); and
- Company's website at 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 & Procedure

The Stakeholder Communication Policy & 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 & Procedure

The Corporate Disclosure Policy & 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 & 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 to which stakeholders can direct their queries or concerns, and 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 13.0

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 28th AGM of the Company held on 15 July 2021 was conducted on a fully virtual basis via online meeting platform of Securities Services e-Portal provided by SS E Solutions Sdn Bhd in Malaysia via its website at www.sshsb.net.my/login and online remote voting via Remote Participation and Voting ("RPV") facilities. The fully 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). All Directors attended the 28th AGM held by the Company on 15 July 2021 via remote participation.

The Chairs of the Board Committees attended the 28th 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 Chief Financial Officer and the External Auditors were also attended the 28th 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 28th AGM dated 31 May 2021, which set out the businesses to be transacted at the AGM, was published in the Annual Report 2021, advertised in The Star newspaper, released to Bursa Securities and uploaded onto the Company's website. The notice was accompanied by Administrative Details which provides administrative guide of fully virtual General Meeting including but not limited to the usage of the RPV facilities, General Meeting Record of Depositors, Proxy, Poll Voting and Procedures for the RPV facilities.

Voting by poll was implemented for all resolutions set out in the notice of the 28th AGM and Commercial Quest Sdn Bhd was appointed as the independent scrutineer to observe the polling procedures and verify the results.

Minutes of the 28th AGM including the Question and Answer session posed by the shareholders are made available on the corporate website within 30 business days of the 28th AGM.

This CG Overview Statement was made in accordance with a resolution of the Board on 28 April 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

OTHER COMPLIANCE INFORMATION

1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during FYE 2022.

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 2022, are as follows:

PARTICULARS	Group RM'000	Company RM'000
Audit Fees	3,183	382
Non-Audit Fees	1,425	380
Percentage of Non-Audit Fees over Audit Fees	45%	99%

The Non-Audit services rendered by the External Auditors were relating to the following:

Group Level

NO.	DESCRIPTION	RM'000
1.	Professional services rendered in connection with income tax compliance	411
2.	Professional services rendered in connection with income tax advisory matters	697
3.	Due diligence works rendered on business acquisitions and specific projects in certain countries	10
4.	Professional services rendered in connection with other assurance related matters	307

Company Level

NO.	DESCRIPTION	RM'000
1.	Professional services rendered in connection with other assurance related matters	240
2.	Professional services rendered in connection with income tax compliance	38
3.	Professional services rendered in connection with income tax advisory matters	102

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

During FYE 2022, 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 2022 between the Company and/or its subsidiaries with related parties are disclosed on page 326 of the Audited Financial Statements contained in the Annual Report 2022.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Statement is made in pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) where the Board of Directors are required to make a statement about the state of risk management and internal control of the listed issuer of a Group.

BOARD’S RESPONSIBILITIES

Yinson’s Board of Directors (“Board”) recognises the importance of maintaining a sound risk management process and internal control practices to safeguard stakeholders’ reputations, shareholders returns and the Group’s assets. The Board affirms its overall responsibility to establish and maintain a robust risk management and internal control system through reviewing its adequacy in identifying, assessing, evaluating, and responding to risks that could have detrimental impact to the Group from achieving its objective.

In evaluating the adequacy of risk management and internal control across the Group, the Board is assisted by the BRSC to oversee and ensure that the updated ERM Framework is being implemented consistently and that there are adequate internal control processes and procedures to manage these risks across the Group.

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.

MANAGEMENT COMMITTEE RESPONSIBILITIES

The MC is responsible to implement the policies and procedures established by the Board pertaining to risk and control processes. The responsibilities entail but are not limited to the following:

- Formulate relevant risk policies, procedures, and frameworks to manage these risks in accordance with the Group’s risk appetite;
- Design, assist and implement the effective risk management and internal control system to ensure that standardised methodology is used throughout the Group; and
- Monitor and ensure that remedial actions plans are taken to mitigate the likelihood and the impact of the risk from escalating further.

ERM POLICY STATEMENT & FRAMEWORK

Yinson’s ERM Policy Statement & Framework provides a standardised and systematic approach for the identification, evaluation, monitoring and reporting of key risks, controls and ensuring that there are adequate measures to implement, track and review the action plans. The Framework is aligned with the ISO 31000:2018, and is adopted across the operating companies within the Group.

The importance of aligning the ERM Policy Statement & Framework is to manage existing and emerging risks to protect our key stakeholders’ and shareholders’ interests.

RISK GOVERNANCE & OVERSIGHT

The GRC Department is responsible to establish, coordinate and implement at Yinson’s ERM Policy Statement & Framework which was recently enhanced to ensure that our internal risk management processes are kept up-to-date and sufficiently robust to manage risks effectively. In addition, the GRC Department will monitor and report key risk issues to the MC and escalate to the BRSC on a quarterly basis.

Yinson’s ERM Policy Statement & Framework identifies, evaluates, monitors and manages risks encountered by the Group.

Our risk governance structure facilitates risk identification and escalation whilst providing assurance on the key risks and controls to the Board. It elaborates and assigns clear roles and responsibilities within each line of defence and facilitates the implementation of the updated ERM Policy Statement & Framework. The current governance structure that assumes the roles of risk and governance perspective is further shown and explained as below:

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Lines of defence	Governance structure	Descriptions
<p>3rd line of defence</p>		<ul style="list-style-type: none"> • Governance of ERM Policy Statement & Framework, oversee overall risk management processes, communicate with stakeholders and shareholders and review risk profile. • BRSC - Oversee and approve Company-wide risk management and sustainability practices. • AC - Provide an objective view and independent report on the effectiveness of ERM and internal control to the Board. • IA - Provide Independent Audit Report on ERM and internal control effectiveness and follow up on status of managements' action plans.
<p>2nd line of defence</p>		<ul style="list-style-type: none"> • MC - Monitor ERM Policy implementation, risk reporting and action plans and manage the business of the Group on an overall basis. • Assist the MC in managing risk-related measures or issues/concerns. • Monitor and report all types of risks to the MC and BRSC.
<p>1st line of defence</p>		<ul style="list-style-type: none"> • Manage risks of their day-to-day operations and ensure all controls documented within the risk assessment process are practised accordingly. • Manage risks effectively prior to the risk being escalated to the 2nd line of defence.

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.

1st line of defence – Own and manage day-to-day risks inherent in business activities including that of risk taking.

2nd line of defence – Establish, implement, maintain, and review effectiveness of risk management and the controls. In addition, they provide overall risk governance and oversight as well as challenging the assessment of 1st line, where applicable.

3rd line of defence – Provide an independent assurance on the overall integrity, adequacy and effectiveness of the risk management and internal control system noted during the risk evaluation process.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT MODEL & PILLAR

The key areas under the GRC's purview can be portrayed in the following pillars:



KEY DEVELOPMENTS IN FYE 2022

Renewable Energy Risk Profile

As the Group is expanding with the establishment of the Renewables Division, it is crucial to understand and manage the overall risk landscape within the renewable energy segment. The GRC Department commenced the development of the renewable energy risk profile in Q4 2021 with the Renewables Division and completed the development of the risk profile and action plans. This risk profile was presented to the MC in February 2022 for feedback and concurrence.

Enhancement of ERM Division Policy & Framework

The GRC Department reviewed and revamped the ERM Policy & Framework taking into consideration the new business segments (i.e. Renewables and Green Technologies) in Q4 2021.

Several key enhancements that were made are as follows:

- **Decentralisation of quarterly risk assessment process**
Designated risk coordinators have been appointed for the various business segments and entities to facilitate the internal risk assessment with input from the GRC Department.
- **Enhancement to the existing risk matrix**
The enhanced risk matrix provides more granularity in its categorisation, which will enable the Group or respective business divisions to mitigate risks more effectively.
- **Scope of risk assessment**
Ensuring that the risk evaluation and assessment process includes the newly ventured business divisions i.e. Renewables.

Embarking into automating the risk management process

The Group is embarking into the automation of the risk management process through the implementation of an IT risk management system to manage risk profiles and register data. The implementation of the risk management system will allow the Group to utilise a single risk repository system to capture more accurate risk data, enhance the risk dashboard and facilitate access to live risk information. The system can also integrate with other relevant operating systems to enable risk monitoring in a more effective manner.

Conduct risk assessment review for Yinson's Kuala Lumpur, Miri & Nigeria offices

During the quarterly review of the Group risk profile, energy transition risk was added as part of the Top 5 Risks given that the Group is committed to manage the energy transition landscape which will result in emerging risks as well as opportunities across the Group.

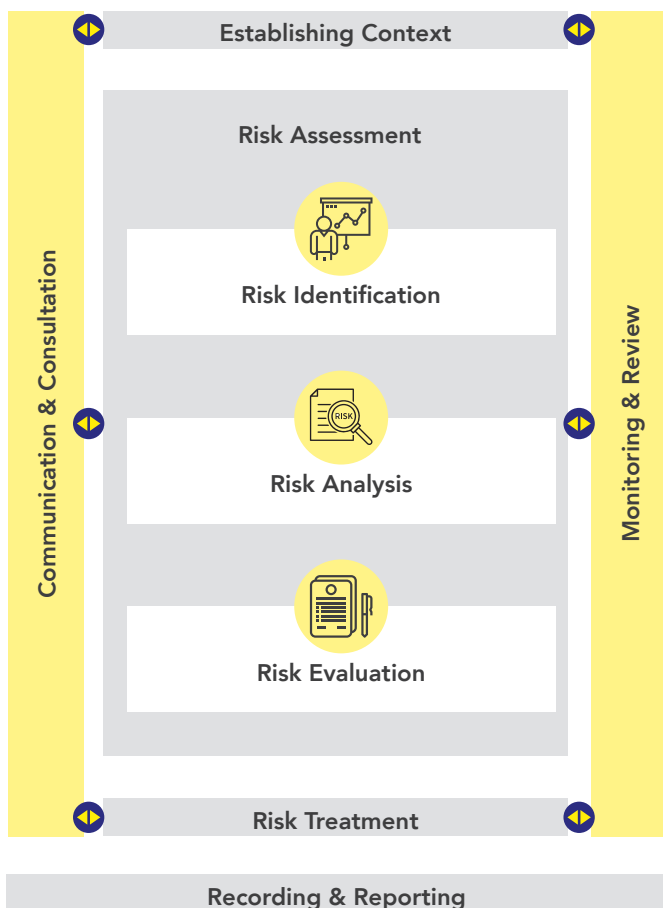
STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management Process

The Group ERM Policy Statement & Framework and other relevant risk guidelines are generally aligned with the Principles and Guidelines of ISO 31000:2018. It provides a consistent and streamlined approach in implementing ERM across the Group.

Our structured risk profiling process is set out as below which is in accordance with the ISO 31000 standard:



Establishing context

The establishment of context defines the scope for the risk management process and sets the criteria to be used for the assessment and evaluation of the risks. The key message that will be discussed within the context settings includes the risk appetite and risk criteria (i.e. reputation, financials, etc.)

Risk identification

The objective of risk identification process is to identify, recognise and describe the risks associated with the business function. There are various methods that can be applied for the identification of risk during the risk workshop phase. This includes conducting strategic planning workshops, management meetings, interviews and desk research.

Risk analysis

The purpose of risk analysis is to prioritise the risk by evaluating the potential impact and likelihood of the risk occurring which could affect the business objective should the risk arise.

Risk evaluation

The risk evaluation process involves the identification of existing key controls and assessments on the effectiveness level which shall define the residual rating of the risks following the development and implementation of the existing controls.

Risk treatment

Risk treatment process involves identifying the range of options for treating risks, assessing these options, and prioritising the implementation of treatment plans.

Recording & reporting

The tools (i.e. Risk Registers) that can be used to monitor and review risks are KRIs. The KRIs will be reviewed or populated for the key risks which have material impact to the Group as a whole.

Enterprise Risk Management Matrix

As part of the enhancement to Yinson’s ERM Policy Statement & Framework, each risk identified is mapped according to a risk matrix which specifies the likelihood and impact of the risk.

The likelihood rating depicts the probability of the risk to occur, while the impact rating specifies the extent of the impact of the risk should it occur. Both the measurements in terms of the likelihood and impact can be expressed qualitatively (i.e. guided by definitions and past events) and quantitatively (i.e. guided by defined numbers or KRIs).

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Yinson's Revised Risk Matrix

Risk Heat Map			Risk Impact				
			Insignificant	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Risk Likelihood	Almost Certain	5	Medium (5)	Medium (10)	High (15)	Critical (20)	Critical (25)
	Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Critical (20)
	Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)
	Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Top 5 Risks

No	Top 5 Risks	Descriptions	Key Controls & Mitigations in FYE 2022
1.	Energy transition risk	<p>Energy transition risk is the newly added risk to the top 5 risks that the Group monitors closely and reports to the Board on a quarterly basis.</p> <p>Energy transition risk in essence refers to the energy sector's shift from fossil-based resources (i.e. oil, coal, natural gas, etc.) to renewable energy (i.e. solar, wind, hydropower, etc.). Examples of energy transition risk may include climate-related risk pertaining to market demand for fossil fuels, regulatory changes and reputational risks.</p>	<ul style="list-style-type: none"> Establishment of Yinson's Climate Goals Roadmap and Climate Report. Operationalisation of carbon abatement strategies for carbon-heavy assets (i.e. closed flaring, hydrocarbon blanketing system, combined cycle technologies to maximise energy efficiency and utilising low-emission alternatives for energy source). Embark on the initiative to integrate the climate risk assessment within the ERM Policy Statement & Framework.
2.	Corporate funding risk	<p>Corporate funding refers to the risk that the Group may not be able to source sufficient funds (i.e. through equity, right issues, debt funding, etc.) to cover working capital and capital expenditure.</p> <p>Any inability to secure funding may lead to defaults on debt obligations or failure to meet repayment schedules.</p>	<ul style="list-style-type: none"> Development of Corporate Funding Policy and Plan. The Group was able to secure the HSBC RM1.0 billion Sustainability-Linked Sukuk bond with coupon interest rate of 5.55%. Currently the Group is working on the issuance of a rights issue to raise additional funding.
3.	Cybersecurity risk	<p>Cybersecurity risk is the probability of the Group's internal system/applications being exposed to various cyberattacks including hacking, ransomware, phishing, etc. A breach in our internal IT system security may result in financial loss, leakages, or loss of confidential or critical data.</p>	<ul style="list-style-type: none"> The cybersecurity team has developed a Cyber Risk Management Roadmap which was tabled to the Management and Board and is currently in the process of implementation and continuous refinement based on the feedback garnered from the Board and businesses. The Cyber Risk Management Roadmap consists of multiple initiatives which will strengthen the cybersecurity system within the Group. Implementing cybersecurity awareness training for the Group.
4.	Project cost overrun risk	<p>As FPSO projects are 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.</p>	<ul style="list-style-type: none"> Continuous review and improvement of project cost management. Enhancement and improvement of the Project Standard Procedure for screening to be utilised for future projects.
5.	Project and client concentration risk	<p>Some of the Group's contracts are concentrated in a specific geographical region (i.e. Brazil) and client specific (with the recent award of the Parque das Baleias contract).</p>	<ul style="list-style-type: none"> To continue to focus on the Renewables and Green Technologies Divisions, establishing them as one of the main revenue streams. The Group is in the midst of exploring other projects outside of Brazil for a more diversified portfolio.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

COMPLIANCE FRAMEWORK

Bribery Risk Assessment integrated into ERM Framework

The Bribery Risk Assessment was initiated in 2020 as part of Yinson's effort to fulfil the requirements of ISO 37001 Anti-Bribery Management System ("ABMS"). This Bribery Risk Assessment complements the existing Risk Management discussions with the functions, which is to identify bribery and corruption risks that may occur in the function's normal operations.

In 2021, the Risk Management team revamped the ERM Framework. A key objective was to integrate the Bribery Risk Assessment approach into the overarching ERM Framework. This is to ensure that the Bribery Risk Assessment is consistent with the standards and requirements of the Risk Management approach within Yinson, for a comprehensive assessment of all identified risks within the functions in Yinson.

From the Bribery Risk Assessment review, the following potential Bribery Risks were seen as relevant for the functions under review:

- Bribes to secure business.
- Collusion with third parties.
- Dealing with government officials.
- Giving or receiving gifts, hospitality and entertainment.
- Risks of controls being by-passed.
- Conflict of interest.
- Personal data being sold.

Nonetheless, Yinson has implemented the necessary controls in the ABMS to mitigate such Bribery Risks.

INTERNAL AUDIT & CONTROLS

The Group maintains an independent Internal Audit Department ("IA 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. Ernst & Young Consulting Sdn Bhd ("EY") is being co-sourced with the internal audit engagements to attain business insights and gain access to competencies to support the control assessment needs of 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.

BOARD'S COMMENTARY

For the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report, 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 and up to the date of approval of this statement for inclusion in the Annual Report.

The Board has received assurance from the Group Chief Executive Officer and Group Chief Financial Officer 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 also hereby confirm that having reviewed the Audited Financial Statements for the financial year ended 31 January 2022, no adverse auditor opinion or material restatements was observed for the financial year ended 31 January 2021.

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 Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"). AAPG 3 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 including the assessment and opinion by the Board of Directors and management thereon. The external auditor is also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 28 April 2022.

REPORT ON AUDIT COMMITTEE

The Board is pleased to present the Report on AC for FYE 2022 in accordance with Paragraph 15.15 of the Bursa Securities Main Market Listing Requirements.

TERMS OF REFERENCE

The AC is formally constituted within the AC Terms of Reference, available on the Company's website at www.yinson.com.

COMPOSITION AND MEETINGS

The AC comprises Independent Non-Executive Directors, with all members having working familiarity with basic corporate finance and accounting practices. AC Chairman, Dato' (Dr.) 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 2022 as follows:

Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon

Chairman, Senior Independent Non-Executive Director
Date of appointment: 11 August 2016
No. of meetings attended: 5/5 (100%)

Raja Datuk Zaharaton binti Raja Zainal Abidin

Member, Independent Non-Executive Director
Date of appointment: 11 August 2016
No. of meetings attended: 5/5 (100%)

Datuk Abdullah bin Karim

Member, Independent Non-Executive Director
Date of appointment: 16 October 2018
No. of meetings attended: 5/5 (100%)

Dato' Mohamad Nasir bin Ab Latif

Member, Independent Non-Executive Director
Date of appointment: 1 October 2020
No. of meetings attended: 5/5 (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 risk management and internal control, financial reporting, business and corporate proposal, 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 are required to declare interests that they may have in the matters arising during meetings. AC member who has conflict of interests will be excluded from deliberations and decision-making 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 2022, 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; and
 - Discussed and reviewed key risk profile.
- 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' report, audit memo and management's response; and
 - 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.
- c) Internal Audit
 - Reviewed and approved the proposed revisions to the Internal Audit Charter;
 - Re-appointed EY to co-source with the in-house IA department for the IA function;
 - Reviewed and approved the annual 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 co-ordination with external auditors;
 - Conducted three (3) private sessions with internal auditors in March, June and December 2021 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; and
 - Assessed the performance of the IA function and reviewed its effectiveness in the audit process.

REPORT ON AUDIT COMMITTEE

d) External Audit

- Discussed with the external auditors 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 2021 and December 2021 respectively, without the presence of Executive Directors and/or Management;
- Reviewed the external auditors' audit findings for the financial year under review;
- Reviewed with the external auditors the SORMIC of the Group for inclusion in the Annual Report; and
- 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 AC 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 Internal IA function for inclusion in the Annual Report;
- Verified criteria for allocation of share options to eligible employees for FYE 2022 under ESS;
- Reviewed and monitored the Recurrent Related Party Transactions; and
- Reviewed and recommended the dividend pay-out.

The IA function performs internal audit reviews in accordance with the principles of the International Professional Practice Framework on internal auditing covering the conduct of the audit planning alongside with an in-house adopted Audit Engagement Roadmap in the process of 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.

During FYE 2022, a total of four (4) internal audit reports, incorporating audit findings, 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 are 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 2022 were in the following areas:

- Strategic Projects
- Vessel Conversion and Capital Expenditure
- Crew Management & HSEQ
- Information Technology Systems & Cybersecurity

In FYE 2022, 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 financial year under review was approximately RM500,000.

This Report on AC was made in accordance with the approval of the Board on 28 April 2022.

INTERNAL AUDIT FUNCTION

The Group's IA function is carried out via a co-sourcing engagement between the Group's in-house IA Department and 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. IA Department 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.

IA department is led by Mr Ho Guan Ming effective from 1 February 2022, assisted by an in-house audit staff and the co-sourced team from EY comprising of two to three persons in each audit engagement. Mr Ho Guan Ming previously held the position of Group Financial Controller since joining the Group in February 2016.

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 2022, 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.