



YINSON HOLDINGS BERHAD

Management & Sustainability Committee

TERMS OF REFERENCE

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1.0 INTRODUCTION

- 1.1 The Management & Sustainability Committee (“MSC” or “Committee”), was established by the Board of Directors of Yinson Holdings Berhad (“YHB” or “Company”) (“Board”) as a sub-committee of the Board.
- 1.2 This Terms of Reference defines the scope of responsibilities, duties and authority of the Management & Sustainability Committee (“MSC” or “Committee”). It provides the framework for governance of the MSC, for the effective functioning of the Board to meet the needs of YHB and to reflect the objectives and culture of YHB and its subsidiaries (“YHB Group” or “Group”).

2.0 PURPOSE

- 2.1 The purpose of the MSC are as follows:
 - 2.1.1 To support the Board in overseeing the operations and business affairs of YHB Group, with a primary focus on guiding, directing, and monitoring activities to align with the corporate objectives, strategic goals, and capital allocation of YHB Group.
 - 2.1.2 To assess, prioritize, consolidate and align Business Units (“BU”)’ strategies, business plans as well as risks and opportunities with the overarching YHB Group strategy and risk appetite, and provide recommendations to the Board for approval and monitor the subsequent implementation.
 - 2.1.3 To review and recommend the Sustainability or Environmental, Social and Governance (“ESG”) related framework, strategy, priorities, targets and policies of YHB Group so as to ensure that the initiatives undertaken by YHB Group pertaining to sustainability are aligned with, promote and encourage YHB Group’s commitment towards sustainability.
 - 2.1.4 To make specific decisions within the matters reserved for the MSC, in accordance with YHB Limit of Authority (“LOA”) and any amendments thereof, as well as any directive from YHB Board.
 - 2.1.5 As a key forum for deliberation on policy issues and other strategic concerns across YHB Group.

3.0 COMPOSITION

- 3.1 The MSC members are appointed and/or dismissed by the Board.
- 3.2 The MSC shall comprise of:
 - (a) Group Chief Executive Officer – MSC Chairman;
 - (b) Group Chief Strategy Officer;
 - (c) Group Chief Financial Officer;
 - (d) Group Chief Human Resources Officer;
 - (e) Group General Counsel;
 - (f) Chief Executive Officer, Farosson;



- (g) Chief Executive Officer, Yinson Production;
 - (h) Chief Executive Officer, Yinson Green Technologies;
 - (i) Chief Executive Officer, Yinson Renewables;
 - (j) Chief Executive Officer, Regulus Offshore; and
 - (k) Any other Head of Divisions and/or Senior Management staff of the Group.
- 3.3 The minimum number of the Committee members shall be five (5). In cases where the minimum number of the Committee cannot be satisfied, the Committee shall review and recommend to the Board for approval any remedial action, including, but not limited to the appointment of another Senior Management staff to fill up vacancies in the Committee or reduce the minimum number requirements.
- 3.4 Appointment of alternate MSC member
- 3.4.1 A MSC member may appoint a person to be his alternate provided that:
 - (a) such person is not a MSC member of the Company;
 - (b) such person does not act as an alternate for more than one MSC member of the Company; and
 - (c) the appointment is approved by the Board.
 - 3.4.2 An alternate MSC member shall (except as regards power to appoint an alternate MSC member) be subject in all respects to the terms and conditions existing with reference to the other MSC members and shall be entitled to receive notices of all meetings of MSC and to attend, speak and vote at any such meeting / resolution at which his appointer is not present / available.
 - 3.4.3 An alternate MSC member shall ipso facto cease to be an alternate MSC member if his appointor ceases for any reason to be a MSC member.
 - 3.4.4 Every person acting as a substitute for a MSC member shall be deemed to be an officer of the Company, shall be responsible to the Company for his own acts and defaults, and shall not be deemed to be the agent of or for the MSC member appointing him.
 - 3.4.5 All appointments and removal of alternate MSC member shall be effected by writing signed by the appointor and left with the Committee Secretary.
- 3.5 MSC member shall ipso facto cease as a member, if he ceased to be a staff of the Company or YHB Group. MSC member may relinquish his membership in the Committee with prior written notice to the Board, informing the Committee Secretary, and may continue to serve as Senior Management staff of the Company/YHB Group.
- 3.6 The composition of the MSC may be reviewed and revised by the Board from time to time, as it deems fit.



4.0 RESPONSIBILITIES OF MSC

- 4.1 MSC members are collectively responsible and accountable for the actions and decisions of the Committee, to ensure the Group is performing well, is solvent and complies with all its obligations to the Board.
- 4.2 MSC shall in exercising its authority delegated by the Board conform to any regulations imposed by the Board and this Term of Reference.
- 4.3 The responsibilities of the MSC shall include but not limited to the following:

4.3.1 Group Strategic Business Plan and Policies

- (a) Review and evaluate the Group's business strategies and policies, ensure the integration of sustainability considerations into the Group's strategic formulation, and make recommendation to YHB Board for approval and monitor the subsequent implementation thereof.
- (b) Oversee the Group's businesses and affairs and monitor the Group's performance.
- (c) Review the capital allocation strategies for recommendation to YHB Board for approval.

4.3.2 Performance and Operations

- (a) Oversight of the implementation of the objectives and strategy approved by YHB Board, as well as the day-to-day management of the Company and its group ensuring alignment with approved objectives and strategy, as well as the Group's sustainability goals and principles.
- (b) Monitoring performance against KPIs, budgets and achievement of the long-term plan approved by YHB Board, including sustainability targets and ambitions.
- (c) Facilitating active liaison, coordination and cooperation between business units while also identifying business synergies within YHB Group and promoting inter-BU cooperation and collaboration.

4.3.3 Investments

- (a) Review investment policies, investment criteria and investment strategies of YHB and make recommendations to the Board for approval.
- (b) Identify and review significant new business opportunities for the Company and its group and recommend to YHB Board for approval.
- (c) Review and consider investment proposals (outside the ordinary course of business) of the Company, which is consistent with the Investment Policy of the Company, and make recommendations to the Board for approval.
- (d) Review and recommend/approve major investments, transactions, key corporate exercise and matters within the limits specified in YHB LOA. For



matters that fall outside its authority and/or the established YHB Group strategy, provide recommendations to YHB Board for approval.

4.3.4 Financial

- (a) Review the capital allocation framework for sustainable, long-term value creation at YHB Group, and make recommendations to YHB Board for approval as required by YHB LOA.
- (b) Review and recommend for adoption by the Board, annual budgets and long term business plans to achieve the objectives of the Company and its group.
- (c) Review and approve capital expenditure, operational expenses items, procurements and operation activities and financing activities/arrangements, where required by YHB LOA.
- (d) Review the year-end consolidated financial performance of the Company.
- (e) Review and implement any significant changes in accounting principles or treatments in compliance with the applicable approved accounting standards in Malaysia and other statutory and regulatory requirements.
- (f) Review and approve accounting transactions, including but not limited to the disposal and write off of fixed assets, as well as write-off of bad debts, where required by YHB LOA.
- (g) Review any related party transactions and conflict of interest situations that may arise within YHB.

4.3.5 Human Capital

- (a) Formulate human capital development policies and establish best management practices and functional standards for the Group to attract and retain high performance staff.
- (b) Review the People agenda across YHB Group including progress against the human capital strategy and actions being taken on employment engagement, diversity, equality, and inclusion (“DEI”) and succession management to ensure it is aligned with YHB Group’s values, purpose and strategy.
- (c) Approve manpower plan including succession plan, training and development programme and compensation of staff (excluding Executive Directors and senior management).

4.3.6 Risk Management and Compliance

- (a) Review the design, implement and monitor the enterprise risk management (ERM) framework in accordance with the Company’s strategic vision and overall risk appetite.
- (b) Oversee the formal development of enterprise risk management policies encompassing all business activities and ensure the development of policy manuals, processes, procedures and practices as well as the business units’ adherence to the ERM policies.
- (c) Monitor and review the enterprise risks relevant to the business of the Group and the achievement of the Group’s objectives and strategies.



- (d) Review and assess the adequacy of risk management mitigation plans and internal controls to manage the key enterprise risks for the Group.
- (e) Review and assess emerging strategic risks and opportunities, take actions as appropriate, and escalate to the Board or relevant Board Committees.
- (f) Review and monitor Group level compliance policies to ensure proper corporate governance and ethical conduct.

4.3.7 Group Sustainability Strategy

- (a) Reviewing, assess and recommend sustainability strategy, priorities and targets, including related policies and framework to the Board and Board Committee.
- (b) Monitor the implementation and operation of YHB Group's sustainability strategy, policies, and standards which entails:
 - reviewing the Group's sustainability performance by tracking progress against YHB Group's sustainability roadmaps, programs, initiatives, and targets; and
 - assessing the appropriateness of the Group's sustainability efforts, ensuring that YHB Group's sustainability roadmaps, programs, initiatives, and targets are being executed as planned, and allocating the necessary time, attention, investment, and resources.
- (c) Review and recommend YHB Group's positioning on emerging sustainability issues, monitor significant movements across the YHB Group using a materiality matrix, and provide guidance on improving sustainability-related areas.
- (d) Monitor for the emergence of new risks to the Group's sustainability and oversee the development and maintenance of new sustainability policies, standards or action plans designed to mitigate such sustainability risks and their potential impact on YHB Group's business.

4.3.8 Stakeholders' Engagement

- (a) Oversee the develop and implement an investor relations programme including Shareholder Communication Policy.
- (b) Define, coordinate and formulate communication strategies and mechanism to effectively promote and engage stakeholders on sustainability and climate-related agenda, including the creation and review of a materiality matrix at regular intervals to ensure concerns of internal and external stakeholders are captured for strategic considerations for YHB Group.

4.3.9 Other Matters

- (a) Review and evaluate the quality and integrity of all sustainability matters being reported to the Committee before they are presented to the Board, Board Committee or presented or disclosed externally, whether to the Company's shareholders or other stakeholders.



- (b) Review and monitor sustainability key performance indicators of each business units within the YHB Group based on industry standards and best practices.
- (c) Monitor and review relevant laws, regulations, and trends related to sustainability and climate change. Provide guidance and recommendations for action plans where applicable, and ensure that the Board is appropriately informed.
- (d) Review the Group's compliance with all applicable and relevant legislation and regulations relating to sustainability matters and the Group's sustainability policies and standards, and monitor the resources required to achieving such compliance.
- (e) Enhancing brand value and reputation by ensuring businesses are conducted in a sustainable and ethical manner and maintaining a social license to operate business.
- (f) Manage dedicated working groups that focus on sustainability and climate-related risks and opportunities. This supervision includes, but is not limited to, engaging in discussions, providing guidance, and receiving feedback.
- (g) To review and approve projects in tandem with the Group's sustainability and climate related goals as well as materiality matrix.

5.0 SUB-GROUPS AND DELEGATIONS

- 5.1 MSC may form sub-committees to assist in the execution of its duties. Each sub-committee should have clear written terms of reference agreed by the MSC and reviewed from time to time.
- 5.2 MSC shall be responsible for all decisions taken by the sub-committee and ensure that the process for monitoring progress is sound.
- 5.3 A reporting mechanism should be put in place to enable the MSC to be updated with progress, consider proposals from sub-committee and ratify any decisions taken by the sub-committee within its terms of reference.

6.0 REPORTING AND DUTY TO KEEP THE BOARD INFORMED

- 6.1 Ensure that reports on respective business of the Group and the status of sustainability and climate-related performance with regards to identified issues, risks and opportunities are submitted to Board on quarterly basis or as required.
- 6.2 The Board has authorized the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference, to:
 - (a) perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
 - (b) select, engage and obtain, at the cost of the Company, external or independent professional advice in discharging its duties, if necessary; and
 - (c) have full and unrestricted access to information and personnel pertaining to the Company.



- 6.3 The Committee shall be obliged to make recommendation to the YHB Board for consideration and implementation on matters beyond its authority. The implementation of its recommendation requires prior approval from YHB Board. The formal schedule of matters reserved for YHB Board's deliberation and decision is outlined in Appendix A of the Board Charter of YHB.

7.0 COMMITTEE SECRETARY

- 7.1 The Company Secretary of YHB or any person nominated by the Company Secretary shall act as the Secretary of the Committee ("Committee Secretary").
- 7.2 The Committee Secretary is responsible for the issuance of notice of the meeting in consultation with/at the instruction of the MSC Chairman. The Committee Secretary or his representative shall be present to record proceedings of Committee meetings and ensure that all decisions made by the MSC are properly documented and filed.
- 7.3 The Committee Secretary shall also prepare the written minutes of MSC meetings and distribute to each member for confirmation. The minutes of MSC meeting shall be kept under the custody of the Committee Secretary. The minutes of the MSC meetings shall be available for inspection by the members of the MSC, the Board and any other person deemed appropriate by the MSC Chairman.

8.0 MEETINGS

- 8.1 MSC meetings shall be convened every three (3) months or any interval at the discretion of the MSC Chairman, subject to the availability of quorum. The quorum shall be two (2) MSC members (or duly appointed alternate, if any).
- 8.2 Ad-hoc or special meetings may be called by any MSC member at any time, at the discretion of the MSC Chairman as deemed fit and expedient for the dispatch of business based on this Terms of Reference and subject to the availability of quorum.
- 8.3 The MSC Chairman shall be the chair at the MSC meetings. In the absence of the MSC Chairman, any person nominated by the MSC Chairman or Committee members could appoint amongst themselves a chairman to chair the particular meeting.
- 8.4 The MSC Chairman, or the Committee members with the approval from the MSC Chairman, may invite any person to attend the Committee meetings, where considered appropriate and relevant to the agenda discussed, but not necessarily for the full duration of the meeting.
- 8.5 The notices of meeting together with the relevant papers shall be circulated to all members of the Committee (including alternate MSC members, if any) at least three (3) days prior to each Committee meeting.
- 8.6 The members of the MSC may participate in a meeting of the MSC from separate locations by means of telephone/video conference or other communication equipment which allows those participants to hear each other, and shall be entitled to vote or counted in the quorum accordingly.



- 8.7 Each decision at a MSC meeting shall be passed by a simple majority of all MSC members' presence at the meeting. In the event a member is unable to attend the meeting and has indicated his vote before the meeting, his vote will be counted and effective. The chairman of the meeting has the casting vote in the case of equality of votes.
- 8.8 Each individual MSC Member shall abstain from deliberation and decision of any resolution which involving his own interest.

9.0 COMMITTEE ETHICS AND PROCEDURES

- 9.1 The Committee members shall safeguard all internal Committee communications and treat them as strictly private and confidential, and for the use of Committee members only.
- 9.2 The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The Committee shall work diligently with the members of the Board in discharging its responsibilities and adhere to the Code of Conduct and Business Ethics Policy and Procedure as well as the Anti-Bribery and Anti-Corruption Policy and Procedure of the Group.
- 9.3 The Committee shall adhere to and abide by the policies and procedures established by the Group to ensure compliance with the law and adherence to acceptable standards of financial reporting, corporate governance practices, and other regulatory requirements.
- 9.4 The MSC will give due consideration to and comply with all applicable laws and regulations, including the Companies Act 2016, Malaysian Code on Corporate Governance 2021, Bursa Malaysia Securities Berhad Main Market Listing Requirements and other statutory and regulatory requirements.

10.0 AUTHORITY

- 10.1 The MSC shall be granted necessary authorities to ensure effective oversight of YHB, subject to the following conditions:
- (a) The LOA;
 - (b) The authorities are already delegated to the other committees of the Board, namely the Audit Committee, the Board Risk & Sustainability Committee, and the Nominating and Remuneration Committee ("Board Committee(s)"); and
 - (c) In cases where approval from the Board, shareholders, and/or relevant Committee(s) of YHB is required, the MSC may only recommend and/or endorse such matters to the Board and/or relevant Board Committee(s) for approval. The MSC shall not execute or implement any such matters that necessitate approval from the Board, Board Committee, and/or shareholders as mandated by applicable laws or regulation.



11.0 CIRCULAR RESOLUTIONS / EXTRACTS OF MINUTES OF MEETINGS

- 11.1 A resolution in writing signed or approved by a majority of MSC members for the time being entitled to receive notice of a meeting of MSC shall be as valid and effectual as if it had been passed at a meeting of the MSC duly convened PROVIDED that where a MSC member has an alternate, then such resolution may also be signed by such alternate. Any such resolution may consist of several documents in like forms, each signed by one (1) or more members. The expressions "in writing", "written" or "signed" include approval by legible confirmed transmission via facsimile, telex, cable, telegram, or other forms of electronic communications.
- 11.2 A document purporting to be a copy of resolution of the MSC or an extract from the minutes of a meeting of the MSC which is certified by any two of the MSC members or one of the MSC members and the Committee Secretary shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the MSC.

12.0 REVIEW AND REVISION OF THE TERMS OF REFERENCE

- 12.1 Any revision or amendment to this Terms of Reference as proposed by MSC shall be presented to the Board for its approval.
- 12.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.