



YINSON HOLDINGS BERHAD

External Auditor

POLICY & PROCEDURE

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1 INTRODUCTION

The Board of Directors (“the Board”) of Yinson Holdings Berhad (“the Company”) is responsible for the appointment of External Auditor, subject to the Company members’ approval during each Annual General Meeting (“AGM”). This policy & procedure set for the Audit Committee (“the Committee”) of the Company the key criteria, methodology and consideration in the selection process and the continuous assessment of the Company and its subsidiaries (“the Group”) appointed External Auditor. This policy & procedure is guided by the provisions in the Companies Act 2016 (“the Act”) and Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“Listing Requirements”).

Pursuant to the requirement under Section 271 of the Act, the Board delegates the Committee with the responsibility for selection, recommendation and remuneration of the External Auditor holding office until conclusion of the next AGM of the Company. The Committee may seek assistance from Group Chief Financial Controller or Group Internal Audit where necessary during the process.

2 NEW SELECTION & APPOINTMENT

Following procedure would be followed during the process: -

- a. Requisition for Engagement would be sent to internationally reputable audit firm.
- b. Audit firm would be assessed accordingly for key criteria stated below for an effective and efficient audit of the Group’s business:
 - i. Expertise in the Group’s business;
 - ii. Global presence & resources;
 - iii. Independence of the audit firm including observation of the cooling-off periods in accordance with the Provision 290.139 of the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants;
 - iv. Experience of the proposed engagement team;
 - v. Audit approach and methodology;
 - vi. Rotation policy; and
 - vii. Fair and competitiveness in engagement pricing.
- c. The most suitable audit firm would be recommended by the Board for seeking shareholders’ approval in a general meeting.



3 ANNUAL ASSESSMENT AND REAPPOINTMENT

Following procedure would be conducted during the process:-

- a. Existing External Auditor would be assessed for its performance (i.e., auditors' independence, audit resources allocation, audit methodology, audit quality, communication effectiveness with the Committee and professional skepticism) during the financial year.
- b. Annual assessment on the performance of the external auditor will be performed through the External Auditor evaluation form and the result of the assessment and recommendation by the Committee will be presented to the Board for consideration.
- c. Upon due consideration, re-appointment of the external auditors and the authority to fix their remuneration would be recommended by the Board for seeking shareholders' approval in the AGM.

4 REMOVAL OR NO RE-APPOINTMENT

Following procedure would be followed during the process: -

- a. Existing External Auditor would discuss with the Committee the basis of decision of removal or no re-appointment.
- b. Basis would be presented to the Board for decision and initiate instruction to the Committee for new selection and appointment of External Auditor.

5 AUDIT ENGAGEMENT INDEPENDENCE

Appointed External Auditor shall conduct internal verification in undertaking additional services to assure such services would not result or risk impair their audit engagement independence.

The principal guidelines to uphold independency are as follows:

- a. the External Auditor shall avoid providing services that deemed External Auditor functioning in decision making management role or advisory role which resulting in auditing own work.
- b. engagement would not give rise to conflict of interest.
- c. the audit firm has audit partner rotation policy of at least every 5 years' interval.

External Auditor shall provide written assurance to the Committee annually confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all requisite relevant professional and regulatory requirements.



6 AUDIT DELIVERABLES

External Auditor shall timely issue audit plan for review and discussion with the Committee.

External Auditor shall engage private sessions with the Committee for at least twice a year to discuss their audit engagement findings.

Annual audit completion shall be accompanied by audit memorandum or equivalent to the Committee effectively communicating key audit matters of the Company.

7 ROTATION OF AUDIT PARTNER

Engagement audit partner shall subject to rotation at every five (5) financial years.

8 NON-AUDIT SERVICE

Subject to the External Auditor assurance of audit engagement independence, the External Auditor providing non-audit services shall be allowed.

The External Auditor shall observe and comply with the By-laws of the Malaysian Institute of Accountants in connection to non-audit services. Prohibited non-audit services include the following:

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- a. Accounting and bookkeeping services;
- b. Valuation services;
- c. Internal audit services;
- d. Information technology system services;
- e. Litigation support services;
- f. Recruitment services; and
- g. Corporate finance services.

The Company defines non-audit services as significant if the aggregate gross amount payable for non-audit services rendered by the External Auditor and/or its affiliates during the reporting financial year exceeded 50% of the Group's audit engagement remuneration.

The Company shall disclose the particulars of the audit and non-audit services rendered by the External Auditor to the Company or its subsidiaries during the financial year, in compliance with Appendix 9C of Bursa Malaysia Listing Requirements.

9 REVIEW OF POLICY

The Committee shall review this policy periodically whenever necessary as deemed fit to ensure its relevance and appropriateness.



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10 REVIEW AND REVISION OF THE POLICY

The Policy will be reviewed periodically or as and when required by the Committee and recommendation will be made to the Board for approval on any revision.