



YINSON HOLDINGS BERHAD

Dealing with International Commercial Representatives

POLICY & PROCEDURE

| Rev No. | Date | Reason for Issue | Prepared by | Checked by | Approved by |
|---------|------------|---------------------------|-------------|------------|-------------|
| 03 | 30/07/2021 | Issued for Implementation | NBMH | AGAS | Board |
| 02 | 26/06/2019 | Issue for Approval | NBMH | AGAS | Board |
| 01 | 27/06/2018 | Issues for Approval | Legal | AGAS | Board |

Document Classification: Proprietary**Document Title:** Policy & Procedure on dealing with International Commercial Representatives**Document No:** YHB-LE-CG-PP-0001**Process:** Corporate Legal**Applicable To:** YINSON Group of Companies**Revision No:** 03**Effective Date:** 30 July 2021



Table of Contents

| | | |
|----------|---|----------|
| 1 | INTRODUCTION | 4 |
| 1.1 | Purpose..... | 4 |
| 1.2 | Scope | 4 |
| 2 | ABBREVIATIONS & DEFINITIONS..... | 5 |
| 3 | DEALING WITH INTERNATIONAL COMMERCIAL REPRESENTATIVES..... | 6 |
| 3.1 | Submission of Questionnaire | 6 |
| 3.2 | Due Diligence Procedure for Engagements with ICRs..... | 6 |
| 3.2.1 | Risk Identified for ICRs | 6 |
| 3.2.2 | Due Diligence for ICRs..... | 6 |
| 3.3 | ABAC Contractual Provisions..... | 7 |
| 3.4 | Payment Arrangements with ICRs..... | 8 |
| 3.4.1 | Assessment of Success Fees..... | 8 |
| 3.4.2 | Success Fees' Approval by the Management Committee | 8 |
| 4 | RECORDING | 9 |
| 5 | POLICY GOVERNANCE | 9 |



Title : Policy & Procedure on dealing with
International Commercial Representatives
Document No : YHB-LE-CG-PP-0001

Revision : 03
Date : 30-Jul-2021

Revision Details

| Rev. No. | Section | Details |
|----------|---------|---|
| 02 | 3.3 | Insertion of specific clause on payment terms requiring that all payments to international commercial representatives shall be made to a bank account under the contracting entity. |
| 03 | 3.2.2 | To change the ABAC Appendix Form used from ABAC Appendix Form B to ABAC Appendix Form E. |
| | | |
| | | |
| | | |
| | | |
| | | |



1 INTRODUCTION

1.1 Purpose

YINSON is committed to doing business with reputable, ethical and professional ICRs. In carrying out business with ICRs, YINSON may be exposed to certain risks. Therefore, YINSON is obligated to “know its partners” before entering into any contractual relationships with them. This Policy sets forth the requirements and procedures in managing and knowing the interactions between YINSON and ICRs.

1.2 Scope

This Policy is applicable to all ICRs who are appointed to act on behalf of YINSON.

All ICRs are required to read, understand, and comply with YINSON’s ABAC Policy & Procedure and other applicable policies and procedures.



2 ABBREVIATIONS & DEFINITIONS

“ABAC” refers to Anti-Bribery and Anti-Corruption;

“ABAC Policy & Procedure” refers to the Anti-Bribery and Anti-Corruption Policy & Procedure;

“Advisor” refers to any legal and tax advisor, regulatory affairs advisor, consultant or other person or entity that is reasonably likely to have contact with a Public Official on behalf of YINSON; provided, however, that internationally reputed law firms, accounting firms or consultants who render conventional low risk advisory services in registration, legal, accounting, auditing, tax filing matters at a reasonable retainer fee or with market unit rates may be exempted from the application of this Policy;

“Agent” refers to any commercial agent, sales representative, consultant or other person or entity that is: (1) reasonably likely to have contact with a Public Official on behalf of YINSON; and (2) retained to assist YINSON (a) in sales, such as in obtaining contracts for services or opportunities for investment projects, and/or (b) in logistics relating to sales in a foreign country;

“Board” refers to the board of directors.

“Group” refers to Yinson Holdings Berhad and its subsidiaries;

“International Commercial Representatives” or ICRs refers to agents, sponsors, advisors and others including a person or entity that has been designated as International Commercial Representative by the Governance, Risk Management & Compliance Department or its designee;

“Personnel” refers to all employees of YINSON (permanent, temporary and interns) and members of the Board;

“Policy” refers to this Policy and Procedure on Dealing with International Commercial Representatives;

“Public Official” refers to persons who hold a legislative, administrative or judicial office (either appointed or elected), any person exercising a public function, including for a public agency or a public enterprise (e.g. a state-owned enterprise), any official or agent of a public international organization;



“**GRC**” refers to YINSON Governance, Risk Management and Compliance;

“**Sponsor**” refers to a person or entity that sponsors, acts as local partner, is a guarantor or performs similar services for YINSON’s Personnel or YINSON in a foreign country. In certain countries, a Sponsor may be required by law; and

“**YINSON**” refers to Yinson Holdings Berhad and its subsidiaries.

3 DEALING WITH INTERNATIONAL COMMERCIAL REPRESENTATIVES

3.1 Submission of Questionnaire

ICRs are required to submit Appendix E – Questionnaire to the Legal Department with background information of the company. The Legal Department will verify the information submitted.

3.2 Due Diligence Procedure for Engagements with ICRs

3.2.1 Risk Identified for ICRs

A large number of improper offers or payments to or for the benefit of government or Public Officials to obtain businesses or favourable advantage are usually made through ICRs, who deals frequently with government or Public Officials.

- ICRs are usually classified as high risk; and as such appointment may pose significant risks under ABAC laws and regulations.

3.2.2 Due Diligence for ICRs

As per 3.1, the ICR will be required to complete the **Appendix E: Business Partner and International Commercial Representatives Questionnaire** for assessment purpose.

The Legal Department, with the assistance of external local legal counsel if needed, will conduct an ABAC due diligence assessment on the ICR in the following areas:

- Profiling of the ICR through public domain information to access track record, directors and shareholders, business operation and background.
- Profiling the key management of the ICR through public domain information to assess their background, business interests and commercial track record.
- Through research from public domain information, to identify information with respect to the ICR on any suspected involvement in fraud or illegal business activities, litigation, based on available litigation records, regulatory non-compliance, commercial disputes, violation of intellectual property rights or suspected involvement in trading counterfeit items and political affiliations. This research would also include identifying if there are any adverse or negative news about the potential ICR that were reported in public domains.



Through the due diligence exercise, the red flags identified would include, but not limited to:

- Principle business activities of the ICR do not match our business objective;
- Credential of the ICR does not match expectation;
- Conflict of interest between the ICR and YINSON's Personnel;
- The absence of a business premise;
- Derogatory/limited information of the ICR; or
- Adverse/negative information about the ICR.

The findings of the ABAC due diligence conducted for the ICR shall be documented and kept by the Legal Department and a copy forwarded to GRC Department.

As ICRs are usually identified as high risk, a comprehensive due diligence should be conducted as and when they are appointed and to be reviewed every two (2) years.

3.3 ABAC Contractual Provisions

The Legal Department is responsible to ensure that ABAC provisions are included in contracts with ICRs, including the drafting and negotiating of the relevant provisions, as they deem appropriate.

ICRs may only be appointed with a detailed and binding agreement that includes indication of compensation, scope of work and compliance to YINSON's ABAC Policy & Procedure whether:

- Written and executed contract; or
- Written and executed letter of intent

ICRs may not perform services for YINSON until engaged and may not be paid until after a contract is executed. No verbal agreements or understandings are permitted for contract which is pending for award.

The written agreement shall, as far as possible, (subject to the discretion of the Legal Department on case-to-case basis) include:

- ABAC provisions and acknowledgement of compliance by ICRs;
- Termination right of YINSON in case ICRs have violated YINSON's ABAC Policy & Procedure or any applicable ABAC Laws;
- The right to inspect/audit the books and records of the ICRs;
- A clear and accurate description of services to be performed by the ICRs for YINSON; and
- The payment terms for the services provided by ICRs including a mandatory requirement that payment shall only be made to a bank account in the name of the contracting entity.

If in doubt, consult the Legal Department or GRC Department. Refer to **Appendix C: Anti-Bribery and Anti-Corruption Clauses** for the ABAC provisions.



3.4 Payment Arrangements with ICRs

Payment terms with ICRs should be clearly stated in the contract. The payment terms should be:

- In writing;
- Commercially reasonable under the circumstances;
- Appropriate in relation to the ICR's experience and services provided;
- Consistent with local laws and market practices; and
- Reasonably related to the value of the services performed.

3.4.1 Assessment of Success Fees

The payment of success fees to ICRs is subject to the approval of the Management Committee.

Besides conducting, due diligence background check on ICRs, the Legal Department with the assistance of external local legal counsel will also need to conduct an assessment of the success fee for the services provided by the ICRs to YINSON. This process would include:

- Check that success fee is allowed within the local jurisdiction;
- Comparison of market rates where required, negotiation of a fixed rate or comparison of specific arrangements as required by the Board within the local jurisdiction;
- Submission of comparison to the Head of Department for review;
- Submission of the comparison to the Management Committee for approval; and
- All supporting documents in relation to the submission for approval relating to success fee should be kept by the Finance Department.

3.4.2 Success Fees' Approval by the Management Committee

In approving the appointment of ICRs and payment of success fee, the Management Committee shall take into account the following:

- Whether there is a written contract where the ICRs agrees in writing that they will comply with YINSON's ABAC Policy & Procedure and the applicable ABAC laws and regulations;
- Whether the local laws require YINSON to hire a local Sponsor or Agent to conduct business in the jurisdiction; and/or
- Whether the success fee agreed upon is based on market rate, negotiation of a fixed rate or computation depending on the directive of YINSON's Board.



4 RECORDING

The GRC Department will maintain copies of the due diligence information and other relevant supporting documents for a minimum period of seven (7) years.

We will maintain accurate books and records relating to any payments made to ICRs that, among other things, reflect the true nature of the transaction. The underlying supporting documentation for any payments made to ICRs must adequately support and reflect the true nature of the transactions. YINSON's Personnel are prohibited from creating or utilizing inaccurate YINSON records, such as overstated expense reports or erroneous time sheets or invoices or booking inaccurate accounting records.

5 POLICY GOVERNANCE

The content of this Policy will be monitored by GRC Department and is subjected to periodic review and assessment.