YINSON HOLDINGS BERHAD

Dealing with International Commercial Representatives and Business Partners

POLICY & PROCEDURE

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Revision Details

Rev. No.	Section	Details
05	3	Updated Abbreviations and Definitions to include Advisory Board.
	4.4.1 and 4.4.2	Updated Management Committee to Advisory Board.

1 PURPOSE

YINSON is committed to doing business with reputable, ethical, and professional International Commercial Representatives (ICRs) and Business Partners (BPs). In carrying out business with ICRs and BPs, 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 or BPs.

1.1 Scope

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

All ICRs and BPs are required to read, understand, and comply with YINSON's ABAC, Sanctions and Human and Labour Rights Policy & Procedure.

2 OWNERSHIP

Approver: BOARD

- This document shall not be altered without the Approver signature.

Checker: Group Legal, Compliance & Insurance and Group Governance, Risks & Compliance

2.1 Continuous Improvement.

This document is a 'live' document and will undergo periodic review and assessment of its effectiveness and where necessary alignment will be performed.

3 ABBREVIATIONS & DEFINITIONS

"ABAC" refers to Anti-Bribery and Anti-Corruption;

"ABAC Policy" refers to the Anti-Bribery and Anti-Corruption Policy;

"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 per the discretion from Legal or Governance, Risk Management & Compliance Department;

"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;

"Associate companies" refers to companies in which a notable portion of shares is owned by YINSON. The portion usually lies between 20% and 50%.

"Board" refers to the board of directors;

"Business Partners" refers to joint venture partners or associate companies;

"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;

"Employees" 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 Employee or YINSON in a foreign country. In certain countries, a Sponsor may be required by law;

"YINSON" refers to Yinson Holdings Berhad and its subsidiaries; and

"Advisory Board" refers to the sub-committee established by the Board of Directors of Yinson Holdings Berhad for the respective Yinson business units.

4 DEALING WITH INTERNATIONAL COMMERCIAL REPRESENTATIVES (ICRs)

It is important for YINSON to know its representatives. Therefore, any ICRs who have the intention to work for and on behalf of YINSON must undergo compliance due diligence by YINSON.

4.1 Submission of Questionnaire

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

4.2 Due Diligence Procedure for Engagements with ICRs

4.2.1 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 advantages are usually made through ICRs, who deal frequently with government or Public Officials.

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

4.2.2 Due Diligence for ICRs

- The Legal Department will conduct an assessment on the background of the ICRs.
- Information that should be verified includes:
  - Business purpose/justification for the services requested;
  - Criteria and rationale for selection;
  - Compensation that the ICRs will receive (e.g. incentives, gifts, expense reimbursement, equipment, monetary or non-monetary considerations) and its rationale;
  - If any, potential conflicts of interest have been disclosed by the ICRs, or identified by YINSON;
  - Do the ICRs have any interactions with government or Public Officials (for the purpose of obtaining governmental contracts, permits or authorization);
  - Any potential legal, regulatory or ethical compliance issues (adverse news, sanctions, legal/regulatory warnings on the company); and
  - If any red flags are identified on the ICRs.
- 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.
- ICRs to acknowledge compliance with our ABAC and Human and Labour Rights policies by signing on the ***Appendix D: ABAC Certificate of Compliance.***

4.3 Compliance Contractual Provisions

The Legal Department is responsible to ensure that compliance 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 with YINSON's ABAC, Sanctions and Human and Labour Rights Policies whether:

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

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

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

- ABAC provisions and acknowledgement of compliance by ICRs;
- Termination rights of YINSON in cases where ICRs have violated YINSON's ABAC Policy 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 shall include a mandatory requirement that payment shall only be made to a bank account in the name of the contracting entity.

The written agreement may, whenever applicable, (subject to the discretion of the Legal Department on a case-by-case basis) include:

- Sanctions and/or Human and Labour Rights provisions
- Termination rights of YINSON in cases where ICRs have violated YINSON's Policy or any applicable laws;

If in doubt, consult the Legal Department or GRC Department. Refer to ***Appendix C: Compliance Clauses*** for the compliance provisions.

4.4 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.

4.4.1 Assessment of Success Fees

The payment of success fees to ICRs is subject to the approval of the Advisory Board of the respective Business Units engaging the ICRs.

Besides conducting due diligence background check on ICRs, an assessment of the success fee for the services provided by the ICRs to YINSON needs to be performed. This process may include, but is not limited to:

- Checking whether the 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 Advisory Board within the local jurisdiction;
- Submission of comparison to the proposer's Head of Department for review;
- Submission of the comparison to the Advisory Board of the respective Business Units for approval; and
- All supporting documents in relation to the submission for approval relating to success fee should be documented and retained for future reference.

4.4.2 Success Fees' Approval

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

- Whether there is a written contract where the ICRs agree in writing that they will comply with YINSON's ABAC Policy 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 according to its directive.

5 MANAGING BUSINESS PARTNERS

It is imperative that we conduct a due diligence on all of our potential Business Partners to identify if there are any potential compliance risks to YINSON.

5.1 Submission of Questionnaire

Business Partners will submit ***Appendix B – Questionnaire*** to the Legal Department with background details and information of the company. The Legal Department will verify the information submitted by the Business Partners.

5.2 Compliance Due Diligence for Business Partners

The Legal Department will conduct a compliance due diligence assessment on Business Partners in the following areas:

- Profiling of the Business Partner through public domain information to assess track record, directors and shareholders, business operation and background.
- Profiling the key management of the Business Partner 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 Business Partner 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 Business Partner that were reported in public domains.

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

- Principal business activities of the Business Partners do not match our business objective;
- Credential of the Business Partners does not match expectation;
- Conflict of interest between the Business Partners and any YINSON Employee;
- The absence of a business premise;
- Derogatory/limited information on the Business Partners; or
- Adverse/negative information about the Business Partners.

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

5.3 Acknowledgement of Compliance

As part of our procedure, we require our Business Partners to acknowledge compliance with our policies. YINSON may consider terminating the partnership in the event of any non-compliance with the laws or with any of our policies.

Please refer to ***Appendix D: ABAC Certificate of Compliance*** for Business Partners acknowledgement of compliance with YINSON's ABAC and HLR Policies.

5.4 Compliance Contractual Provisions

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

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

- ABAC provisions and acknowledgement of compliance by the Business Partners;
- Termination rights of YINSON in case the Business Partners have violated YINSON's ABAC Policy or any applicable ABAC laws;

- The right to inspect/audit the books and records of the Business Partners;
- A clear and accurate description of services to be performed by the Business for YINSON, if applicable; and
- The Payment terms for the services provided by Business Partners including a mandatory requirement that payment shall only be made to a bank account in the name of the contracting entity.

The written agreement may, whenever applicable, (subject to the discretion of the Legal Department on a case-by-case basis) include:

- Sanctions and/or Human and Labour Rights provisions
- Termination rights of YINSON in cases where Business Partners have violated YINSON's Policy or any applicable Laws;

If in doubt, consult the Legal Department or GRC Department. Please refer to ***Appendix C: Compliance Clauses*** for the compliance provisions.

6 RECORDING

The Legal Department will maintain copies of the ICR and Business Partner 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 employees 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.

7 POLICY GOVERNANCE

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