



YINSON HOLDINGS BERHAD

Board Risk Management Committee

TERMS OF REFERENCE

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01	All	Terms of Reference created
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1 PURPOSE

- 1.1 This Terms of Reference defines the scope of responsibilities, duties and authority of the Board Risk Management Committee (“BRMC” or “Committee”), established by the board of directors of Yinson Holdings Berhad (“YHB” or “Company”) [“Board”]. It serves as a guidance to the BRMC in discharging their responsibilities, duties and authority pertaining to plans, policies, and practices in relation to risk management framework of YHB and its subsidiaries (“Group”), within the authority delegated by the Board, for the effective functioning of the Board.
- 1.2 This Terms of Reference is guided by the best practices in the Malaysian Code on Corporate Governance 2017 (“MCCG”), Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”), Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Companies (“SORMIC Guide”), Corporate Governance Guide – 3rd Edition (“CG Guide”) and other statutory and regulatory requirements.

2 COMPOSITION

- 2.1 The BRMC shall be appointed by the Board from amongst the Directors and consist no fewer than three (3) members, which comprises a majority of independent directors. The member of the BRMC shall elect a chairman from among their members and approved by the Board. No Alternate Director shall be appointed as a member of the BRMC.
- 2.2 In the event of any vacancy in the BRMC resulting in non-conformance to MCCG, the Board shall ensure that the vacancy is filled within three (3) months.
- 2.3 The Nominating and Remuneration Committee of the Company shall review the term of office and performance of BRMC and each of its members annually, to determine whether the BRMC and its members have carried out duties in accordance with its terms of reference.

3 CHAIRMAN

- 3.1 The BRMC Chairman shall be appointed and/or dismissed by the Board. The chairman of the Board shall not be the BRMC Chairman.
- 3.2 The role of the BRMC Chairman, are as follows:
 - 3.2.1 Governing the processes of the BRMC and outlines the procedures and guidelines in relation to its risk governance role;
 - 3.2.2 Planning and ensuring BRMC meetings run efficiently and each agenda item is thoroughly and thoughtfully discussed by members of the BRMC, prior to be approved by the BRMC Chairman;
 - 3.2.3 Overseeing reporting to the Board on all matters within its duties and responsibilities;
 - 3.2.4 Encouraging open discussion during meetings and take reasonable steps in ensuring adequate flow of relevant information to the BRMC, management, internal and external auditors;



- 3.2.5 Develop and maintain active on-going dialogue with management and both internal and external auditors;
- 3.2.6 Assessing the performance of individual BRMC members on annual basis, to facilitate the evaluation of BRMC's performance by the Nominating and Remuneration Committee of the Company;
- 3.2.7 Taking reasonable steps to advise the Board on the BRMC's recommendations on matters falling within the scope of the BRMC's duties and responsibilities;
- 3.2.8 Reviewing the minutes of meetings of the BRMC for circulation to and approval of BRMC, and sign the approved minutes; and
- 3.2.9 Act under delegation of the BRMC.

4 COMMITTEE SECRETARY

- 4.1 The Company Secretary or Corporate Secretary shall be the Secretary of the Committee.
- 4.2 The Committee Secretary shall be responsible for drawing up the notice and agenda of meetings in consultation with the BRMC Chairman and circulating it, supported by explanatory documentation to members of the BRMC prior to each meeting.
- 4.3 The Committee Secretary shall also prepare the written minutes of the BRMC meetings and distribute to each member for confirmation. The minutes of BRMC meetings shall be kept under the custody of the Committee Secretary.

5 MEETINGS

- 5.1 The BRMC shall hold at least four (4) regular meetings per year or such additional meetings as the BRMC Chairman shall decide in order to fulfil its duties and if requested to do so by any BRMC member. The BRMC may also invite any Board members, officer, or employee of the Group to be in attendance to assist in its deliberations.
- 5.2 The meeting agenda and relevant papers shall be provided to BRMC members at least seven (7) days in advance of each meeting.
- 5.3 In the absence of the BRMC Chairman, the members may elect anyone amongst themselves to chair the meeting.
- 5.4 The meetings of the BRMC shall be transparent, with all proceedings recorded and decisions documented. The Board shall be kept aware of the BRMC's activities by way of the BRMC minutes and/or BRMC papers, being circulated.
- 5.5 The meeting of the BRMC may be conducted via face-to-face or by means of a telephone conference, video conference or any communication technology, which allows all members of the BRMC participating in the meeting to communicate simultaneously with each other, or other appropriate means as determined by the BRMC.



6 QUORUM

- 6.1 The meetings shall have a quorum of two (2) members who are independent Directors.

7 AUTHORITY

- 7.1 In carrying out its duties and responsibilities, the BRMC will have the following rights:
- 7.1.1 Have explicit authority to investigate any matter within its terms of reference;
 - 7.1.2 Have the resources which are required to perform its duties;
 - 7.1.3 Have full, free and unrestricted access to information, records, properties and personnel of the Company and of any other companies within the Group;
 - 7.1.4 To receive from Management an overview of the risks, policies, procedures and controls surrounding the integrity of risk management reporting;
 - 7.1.5 Have direct communication channels with external auditors and internal auditors as well as employees of the Group;
 - 7.1.6 Be able to obtain independent professional or other advice through the assistance of the Committee Secretary, to invite outsiders with relevant experience to attend BRMC meetings (if required) and to brief the BRMC thereof;
 - 7.1.7 The attendance of any particular BRMC meeting by other Directors and employees of the Company shall be at the invitation and discretion of BRMC and must be specific to the relevant meeting;
 - 7.1.8 Be able to convene meetings with external auditors or internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary; and
 - 7.1.9 Be able to make relevant reports when necessary to Bursa Securities or relevant authority if a breach of the Listing Requirements occurs.

8 DUTIES AND RESPONSIBILITIES

- 8.1 The following are the main duties and responsibilities of the BRMC collectively. These are not exhaustive and can be augmented if necessary, by the overall Board approval:
- 8.1.1 Create a high-level risk strategy (policy) aligned with the Group's strategic business objectives;
 - 8.1.2 Determine that there is a robust process in place for identifying, managing and monitoring critical risks, oversee execution of that processes; and ensure it is continuously improved as the business environment changes;
 - 8.1.3 Communicate the Board's vision, strategy, policy, responsibilities and reporting lines in risk management to all personnel across the Group;



- 8.1.4 Engage Management in an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise;
- 8.1.5 Oversee the conduct, and review the results, of company-wide risk assessments, including the identification and reporting of critical risks;
- 8.1.6 Oversee the management of certain risks, with regard to the complexity and significances of these risks exposure;
- 8.1.7 Review the strategies for liquidity investments of the Group;
- 8.1.8 Identify and provide timely input to the Board/Management on critical risks (present or potential) the Group faces, their changes, and Board/Management action plans to manage the risks;
- 8.1.9 Aggregate the Group's risk position and periodic reporting to the Board on the risk situation/status;
- 8.1.10 Set risk management performance measures for the Group;
- 8.1.11 Provide advice to the Board on risk strategies and coordinate the activities of the various standing Board committees for risk oversight;
- 8.1.12 Provide guidance to the business units and departments on the Group's critical risk issues and other criteria which, when exceeded, trigger an obligation to make immediate reporting to the Board;
- 8.1.13 Review the Enterprise Risk Management ("ERM") Framework and Policy and ensure that the aforesaid Framework and Policy as well as risk management processes are relevant to the business and market environment that the Group is operating in;
- 8.1.14 Review the adequacy and operating effectiveness of the risk management processes in validating the results of these processes;
- 8.1.15 Examine the risk management system for its completeness, comprehensiveness, and reliability, besides verifying the ERM system for its adequacy and operating effectiveness;
- 8.1.16 Promote a healthy risk culture and watch for dysfunctional behaviours that could undermine the effectiveness of the risk management process such as, excessive risk-taking due to misaligned key performance indicators and remuneration schemes;
- 8.1.17 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 environment, social and governance ("ESG") rating such as those provided by Sustainalytics, Morgan Stanley Capital International, etc.;
- 8.1.18 Review the Group's Anti-Bribery Management System to ensure the Group has put in place adequate measures to mitigate bribery risk;
- 8.1.19 Review regular compliance reports from the Governance, Risk Management, and Compliance Department to confirm the adequacy and effectiveness of the Group's corporate governance; and



8.1.20 performs any other function that may be assigned by the Board when deemed necessary and appropriate.

- 8.2 The BRMC makes recommendations to the Board for its consideration and implementation, but it has no executive powers to implement such recommendations on behalf of the Board.

9 CIRCULAR RESOLUTIONS / EXTRACTS OF MINUTES OF MEETING

- 9.1 A resolution in writing signed by a majority of BRMC members present in Malaysia and for the time being entitled to receive notice of a meeting of BRMC shall be as valid and effectual as if it had been passed at a meeting of the BRMC duly convened. Any such resolution shall be described as "Board Risk Management Committee's Written Resolutions" and may consist of several documents substantially the same, each signed by one or more BRMC members and shall constitute one document in those terms. The expressions "in writing", "written" or "signed" include approval by legible confirmed transmission via facsimile, telex, cable, telegram, or other forms of electronic communications.
- 9.2 A document purporting to be a copy of resolution of the BRMC or an extract from the minutes of a meeting of the BRMC which is certified by any one of the BRMC 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 BRMC.
- 9.3 Each individual BRMC member shall abstain from deliberation and decision of any resolution which involving his own interest.

10 COMMITTEE'S DISCLOSURES IN ANNUAL REPORT / WEBSITE

- 10.1 The Committee is to assist the Board to prepare a report on risk management at the end of each financial year as guided under the Listing Requirements, MCCG, SORMIC Guide and CG Guide.
- 10.2 This Terms of Reference shall be made available on the Company's website.

11 COMMITTEE ETHICS AND PROCEDURES

- 11.1 BRMC members shall safeguard all internal committee communications and treat them as strictly private and confidential, and for the use of Committee members only.
- 11.2 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 amongst the members of the Board in discharging its responsibilities and adhere to the Code of Conduct and Business Ethics of the Company.

12 REVIEW AND REVISION OF THE TERMS OF REFERENCE

- 12.1 The Terms of Reference will be reviewed periodically or as and when required by the BRMC and recommendation be made to the Board for approval on any revision.