

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0219
COMPANY NAME : Reservoir Link Energy Bhd
FINANCIAL YEAR : June 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application :	Applied
Explanation on application of the practice :	<p>The Board of Directors ("Board") plays a vital role in setting an appropriate tone at the top, through leadership and championing good governance and ethical practices throughout Reservoir Link Energy Bhd ("the Company") and its subsidiaries ("the Group") for the long-term success of the Group and deliver sustainable value to its stakeholders.</p> <p>The Board is guided by a Board Charter and amongst others, the Board assumes the following major duties and responsibilities in discharging its duties in the pursuit of the best interest of the Company while safeguarding the interest of its shareholders and other stakeholders:</p> <ul style="list-style-type: none">a) Ensuring that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability;b) Together with the senior management, provide a good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;c) Reviewing, overseeing and evaluating the conduct and performance of the Group's businesses;d) Identifying principal risks and ensuring the implementation of an appropriate risk management system;e) Reviewing the adequacy of the Group's internal control systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines;f) Ensuring that appropriate plans are in place with respect to the succession plan of the Group;g) Ensuring senior management has sufficient calibre and a succession plan is in place to ensure continuity of the management;h) Ensuring that the Company has in place procedures to enable effective communication with stakeholders; andi) Devoting sufficient time and effort to stay abreast and keep informed on all matters of importance to the Group.

	<p>In addition, the Board has also established Board Committees, namely Audit Committee (“AC”), Remuneration and Nomination Committee (“RNC”) and Risk Management Committee (“RMC”), to assist in discharging its duties (item a. to item i.) mentioned on the preceding page. All matters not specifically reserved for the Board, and which are necessary for the day-to-day operations of the Group are delegated to the management to operate within the authorities delegated.</p> <p>A copy of each of the Board Charter and Terms of Reference of the respective committees are available on the Company's corporate website at https://reservoirlink.com.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application :	Applied	
Explanation on application of the practice :	<p>The Chairman, Datuk Tai Hee, is a Non-Independent Non-Executive Director and is responsible for the leadership, effective conduct and good governance of the Board.</p> <p>In fulfilling his role, the Chairman assumes, amongst others, the following duties and responsibilities:</p> <ul style="list-style-type: none">• Providing leadership for the Board so that the Board can perform its responsibilities effectively;• With the assistance of the Company Secretary, setting the board agenda and ensuring that board members receive complete and accurate information promptly;• Facilitating effective discussions and encouraging positive contributions of all Directors at board meetings and promoting constructive relations between them;• Managing the interface between the Board and the management;and• Ensuring effective, transparent, and regular communications with shareholders and other stakeholders. <p>Detailed roles and responsibilities of the Chairman are stated in the Board Charter which is available on the Company's website at https://reservoirlink.com.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application :	Applied
Explanation on application of the practice :	<p>The roles of the Chairman, Executive Deputy Chairman and the Group CEO/MD ("GCEO/MD") are separated to ensure that there is a balance of power and authority. The Chairman of the Board, Datuk Tai Hee is a Non-Independent Non-Executive Chairman, whereas the Executive Deputy Chairman and GCEO/MD are Mr Thien Chiet Chai (redesignated from Executive Director to Executive Deputy Chairman on 9 October 2023) and Dato' Wan Hassan Bin Mohd Jamil.</p> <p>The Chairman is responsible for instilling good governance practices and leadership of the Board. The Executive Deputy Chairman supports the Chairman of the Board and assists in high-level business development and customer relations whilst the GCEO/MD is the head of management with overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p> <p>The respective duties and responsibilities of the Chairman, Executive Deputy Chairman and GCEO/MD as set out in the Board Charter are as follows:</p> <p>a) The Chairman</p> <ul style="list-style-type: none">• Providing leadership for the Board so that the Board can perform its responsibilities effectively;• Setting the board agenda and ensuring that board members receive complete and accurate information promptly;• Facilitating effective discussions and encouraging positive contributions of all Directors at board meetings and promoting constructive relations between them;• Managing the interface between the Board and the management; and• Ensuring effective, transparent, and regular communications with shareholders and other stakeholders. <p>b) The Executive Deputy Chairman</p> <ul style="list-style-type: none">• Ensuring that there is effective communication by the Company with its shareholders, including by the CEOs, Chief Financial Officer and other senior management.• Working with the Board and GCEO/MD to develop the business, corporate policies and strategies for the Company's future growth.• Working with the GCEO/MD to identify opportunities for value-enhancing strategic initiatives including acquisitions, joint ventures, and strategically important relationships and communicating regularly regarding the pursuit of such strategic initiatives.

Explanation on application of the practice :	<ul style="list-style-type: none"> Developing and maintaining the Company's relationships with future strategic partners whose capital, influence and knowledge could add significantly to the Company's value and its share price. <p>c) GCEO/MD</p> <ul style="list-style-type: none"> Developing the strategic direction, operational plan and budget of the Group; Ensuring that the Group's strategies and corporate policies are effectively implemented; Ensuring that the Board's decisions are implemented, and the Board's directions are adhered to; Providing strong leadership i.e., effectively communicating the Company's vision, mission, shared values, management philosophy and business strategy to the employees; Maintaining a positive and ethical working environment that is conducive and hence able to retain and motivate a diverse workforce; Reviewing the organizational structure and ensuring that all functions contribute to the success of the Group; Assessing business opportunities which are of potential benefit to the Group; and Keeping the Board fully informed of all important aspects and relevant matters in relation to the Group's operations in an accurate and timely manner. 	
Explanation for departure :		
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Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>Datuk Tai Hee, the Chairman of the Board, resigned as one of the members of the AC on 19 November 2021.</p> <p>The current composition of the AC is set as below:</p> <ul style="list-style-type: none">• Independent Non-Executive Director (Chairman)• Independent Non-Executive Director (Member)• Independent Non-Executive Director (Member) <p>Subsequently, Datuk Tai Hee also resigned as one of the members of the RNC on 19 November 2021.</p> <p>The current composition of the RNC is set as below:</p> <ul style="list-style-type: none">• Independent Non-Executive Director (Chairman)• Independent Non-Executive Director (Member)• Independent Non-Executive Director (Member)
Explanation for departure	for	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application :	Applied	
Explanation on application of the practice :	<p>The Board is supported by a Company Secretary, Ms Pauline Kon Suk Khim, a qualified Chartered Secretary (ICSA) & Chartered Governance Professional and a Fellow of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She is also the Secretary for all Board Committees.</p> <p>All Directors have access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business. As set out in the Board Charter, the key responsibilities of Company Secretary include:</p> <ul style="list-style-type: none">a) Manage all Board and Board Committee meetings logistics, attend and record minutes of all board and committee meetings and facilitate board communications;b) Advise the Board on its roles and responsibilities;c) Assist in Directors' training and development;d) Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;e) Manage processes pertaining to the shareholders' meeting;f) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; andg) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>The Board is regularly updated by the Company Secretaries on the latest developments in laws and regulations (if any).</p> <p>The Company Secretary constantly keeps herself abreast of regulatory changes and corporate governance developments through attendance at relevant workshops, conferences, and training programmes.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application :	Applied	
Explanation on application of the practice :	<p>To facilitate the Directors’ time planning, the notice and agenda were circulated to all Directors at least seven (7) days in advance, while the meeting papers containing relevant information to the business of the meetings were circulated at least three (3) days before the date of the meetings to ensure that the Directors were well informed and had the opportunity to obtain further information, explanations or clarifications, where necessary so that deliberations at the meetings are focused and constructive.</p> <p>All pertinent issues discussed, and decisions made at the board meetings were recorded by the Company Secretary. The Chairman or Executive Deputy Chairman signed the minutes upon confirmation by the Board and Board Committees at the next board meeting.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application :	Applied
Explanation on application of the practice :	<p>The Board has a Charter which clearly defines the respective roles and responsibilities of the Board, Chairman and GCEO/MD, Independent Non-Executive Directors, Management and Company Secretary. It further defines the key matters that are reserved for the decision of the Board, which include:</p> <ol style="list-style-type: none"> The overall corporate strategy and direction, business plans and annual budget including major capital commitments; Acquisition and disposal of assets of the Company or its subsidiaries that are material in nature; Investment or divestment in a company/business/property/undertaking; Key policies and the delegation of authority guidelines of the Company; Undertaking new business activities in non-traditional/non-core areas; The decision to cease to operate all or any material part of the Group's business; Succession management of Group Managing Director/Chief Executive Office and key senior management; and Any amendments to the matters reserved for the Board. <p>The Board Charter was approved by the Board on 7 February 2020 and subsequently reviewed and amended on 23 March 2022 to ensure that it remains relevant and consistent with the prevailing regulations as well as in line with the listing requirement of Bursa Malaysia Securities Berhad and the Malaysian Code of Corporate Governance ("MCCG").</p> <p>The Board Charter is made available for reference on the Company's corporate website at https://reservoirlink.com.</p>
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application :	Applied
Explanation on application of the practice :	<p>The Board has established a Code of Business Conduct ("COBC") which applies to all Directors and employees of the Group to promote a safe working environment, and good business conduct and maintain a healthy corporate culture that engenders integrity, transparency, and fairness. The COBC serves as a guide for the Company's Directors and employees to observe ethical and legal business standards when dealing with other parties and when performing their daily duties at the workplace to ensure that the Company's business interactions are in accordance with the highest standard of personal and professional integrity. Contractors, sub-contractors, consultants, agents, representatives, and others performing work or services for or on behalf of the Group are expected to comply with the relevant COBC when performing such works or services.</p> <p>All employees of the Group are required to read and sign off their commitment to always observe and adhere to the COBC during their services with the Group.</p> <p>The Group has established the Anti-Bribery Management System ("ABMS") to address the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group adheres to a zero-tolerance approach to bribery and corruption, as outlined in our Anti-Bribery and Corruption ("ABC") Policy to govern our activities and serves as a guiding framework for all employees to act professionally, fairly and with integrity in all our business dealings.</p> <p>The Group established Standard Operating Procedures and Guidelines under AMBS as follows:</p> <ul style="list-style-type: none"> • Guideline on Declaring Conflict of Interest • Guideline on Providing and Receiving Gifts, Entertainment, Hospitality and Travel • Guideline on Granting of Donations and Sponsorships • Guideline on Due Diligence on Employees and Business Associates • Guideline on Training and Communication

	<p>The Group organised a training session for all employees and provided virtual training on corporate liability to Directors and Senior Management to raise awareness of the ABC policy.</p> <p>The COBC and ABC Policy are published on the Company's corporate website at https://reservoirlink.com and they will be reviewed from time to time by the Board to ensure that it continues to remain relevant and appropriate.</p>	
Explanation for departure		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application :	Applied	
Explanation on application of the practice :	<p>The Whistleblowing Policy was established and approved by the Board on 28 May 2020 and subsequently reviewed and amended on 29 August 2022. It provides an avenue for all employees of the Group and business associates to report any genuine concerns relating to the Group’s activities in accordance with the procedures. The Whistleblowing Policy also protects the whistleblower(s) who report such allegations.</p> <p>The whistleblower can report their concerns via email directed to the Chairman of the Board and the Chairman of AC or via letters/documents/reports directly to the Chairman of AC.</p> <p>This policy is reviewed periodically and may be amended as it is deemed appropriate to ensure its relevance and effectiveness.</p> <p>The details of Whistleblowing Policy can be found on the Company’s corporate website at https://reservoirlink.com.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application :	Applied
Explanation on application of the practice :	<p>The Board has on 25 August 2021, alongside its subsidiaries, instituted the Sustainability Policy for the Group and subsequently reviewed and amended on 25 August 2023. The policy is to reaffirm the Group's strategic importance of sustainability to build a sustainable enterprise.</p> <p>The policy further covers the Board's three sustainability principles; Economic, Environment, and Social ("EES") with it being exquisite in the Board's practices.</p> <p>The Senior Management is responsible for developing coordinating and implementing the Company's sustainability strategy to ensure that is embedded throughout the organization.</p> <p>This policy is reviewed periodically and may be amended as it is deemed appropriate to ensure its relevance and effectiveness.</p> <p>The details of the Sustainability Policy can be found on the Company's corporate website at https://reservoirlink.com.</p> <p>A strong governance structure has been put in place to ensure timely and direct execution of programs that drive the achievement of our sustainability goals for the FPE2023. The Group's business affairs are overseen by RLEB's board of Directors. The board's primary responsibilities include providing leadership on RLEB's overall strategy, which takes into account our material sustainability matters. The Senior Management is responsible for developing, coordinating and implementing our sustainability strategy to ensure that it is embedded throughout the organisation. Within their functions, Senior Management ensures cross-functional alignment, transparent end-to-end management, and the execution of agreed-upon sustainability goals by operational management in their operational activities.</p>
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application :	Applied														
Explanation on application of the practice :	<p>The Company engages openly with its internal and external stakeholders. The stakeholders are individuals or organisations who influence or are influenced by the Company's operations, such as our employees, investors, customers, suppliers and government.</p> <p>The table below provides an overview of the Company's stakeholders:</p> <table border="1"> <thead> <tr> <th>Stakeholder group</th><th>Engagement and communication platforms</th></tr> </thead> <tbody> <tr> <td>Shareholders / Investors / Board of Directors</td><td>Annual general meetings, financial and Bursa Malaysia announcements company activities, investor relation email contact, company website, and news releases.</td></tr> <tr> <td>Customers</td><td>Surveys, operational and commercial meetings, corporate events, and company website.</td></tr> <tr> <td>Suppliers, Subcontractors and Vendors</td><td>Meetings, site visits, presentations and negotiations.</td></tr> <tr> <td>Local Authorities / Regulators / Government Agencies</td><td>Seminars, meetings, forums, conferences, site visits, tenders.</td></tr> <tr> <td>Employees</td><td>Workshops, seminar and training sessions, town hall sessions, employee appraisal sessions, social events and activities, newsletter, intranet.</td></tr> <tr> <td>Local Communities</td><td>Participation and collaboration in community projects, company website, and community activities.</td></tr> </tbody> </table>	Stakeholder group	Engagement and communication platforms	Shareholders / Investors / Board of Directors	Annual general meetings, financial and Bursa Malaysia announcements company activities, investor relation email contact, company website, and news releases.	Customers	Surveys, operational and commercial meetings, corporate events, and company website.	Suppliers, Subcontractors and Vendors	Meetings, site visits, presentations and negotiations.	Local Authorities / Regulators / Government Agencies	Seminars, meetings, forums, conferences, site visits, tenders.	Employees	Workshops, seminar and training sessions, town hall sessions, employee appraisal sessions, social events and activities, newsletter, intranet.	Local Communities	Participation and collaboration in community projects, company website, and community activities.
Stakeholder group	Engagement and communication platforms														
Shareholders / Investors / Board of Directors	Annual general meetings, financial and Bursa Malaysia announcements company activities, investor relation email contact, company website, and news releases.														
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Explanation for departure :															

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Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application :	Applied	
Explanation on application of the practice :	<p>The Board is committed to take accountable action to ensure they are always abreast with the Company's sustainability issues. Material sustainability issues are reviewed annually in line with the GRI standards for sustainability reporting by the Board. The review is done with insights from previous assessments to persevere into new possible topics or improvements in sustainability. Topics as such are then validated with professional in-depth discussion.</p> <p>The RNC also recommends the necessary climate-related training programmes for the Board to ensure that the Group maintains a leading role in sustainability governance and practices aligned with its business.</p> <p>Detailed initiatives taken are disclosed in our Sustainability Report the Annual Report 2023.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application :	Applied	
Explanation on application of the practice :	<p>The material sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success were included in the performance evaluations of the Board and Senior Management.</p> <p>The Board members and senior management are reviewed and assessed by the RNC annually for their performances in addressing any sustainability risks and opportunities and report the results to the Board.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5 - Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application :	Adopted
Explanation on adoption of the practice :	<p>The Company has appointed Tricor Axcelasia Sdn Bhd as an external party to develop the sustainability framework and set the sustainability strategies, priorities and targets for the Company.</p> <p>Mr Thien Chiet Chai – Executive Deputy Chairman is the designated person within management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application :	Adopted	
Explanation on application of the practice :	<p>The RNC reviewed the tenure of each Director, and three (3) Directors shall retire from office during this coming 8th Annual General Meeting and be eligible to offer themselves for re-election as a Director of the Company.</p> <ul style="list-style-type: none">• Pursuant to Clause 91 of the Company’s Constitution, Datuk Tai Hee and Dato’ Wan Hassan Bin Mohd Jamil are due to retire by rotation as the Directors of the Company in this AGM. Both are eligible for re-election.• Pursuant to Clause 90 of the Company’s Constitution, Dato’ Ahmad Rizal Bin Abdul Rahman, who was appointed during the year is due to retire as a Director of the Company in this AGM. He is eligible for re-election. <p>The RNC was satisfied with the performances of the retiring Directors and supported their re-election.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board of the Company comprises six members, one Non-Executive Chairman, one Executive Deputy Chairman, one GCEO/MD, and three Independent Non-Executive Directors. Hence, half of the Board comprises of Independent Directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application :	Not applicable – No Independent Director(s) serving beyond nine (9) years	
Explanation on application of the practice :	None of the Independent Directors exceed a cumulative term of nine (9) years.	
Explanation for departure :		
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Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application :	Adopted
Explanation on adoption of the practice :	<p>The Board has set out in its Board Charter that the tenure of its Independent Directors shall be for a cumulative period of nine (9) years from their appointment as Independent Directors.</p> <p>Upon completion of the nine (9) years, the Independent Directors may continue to serve on the Board as Non-Independent Directors.</p> <p>For the FPE2023, none of the Independent Non-Executive Directors on the Board have reached nine (9) years of tenure.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on board of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application :	Applied	
Explanation on application of the practice :	<p>The Board consists of individuals from diverse professional backgrounds, skill sets and perspectives. This composition and size shall constitute an effective board to facilitate the making of informed and critical decisions.</p> <p>An RNC has been appointed to assist the Board in establishing a formal and transparent procedure for the appointment and assessment of Directors and the board committees.</p> <p>The appointment of new Directors is considered and decided by the Board based on the recommendation of the RNC. The RNC shall consider the required mix of skills, experience, character, commitment, and core competencies which the new Director brings to the Board.</p> <p>The RNC is also authorized to obtain any outside legal or other professional advice in identifying suitably qualified candidates for appointment of new Directors including the advice of independent consultants, to obtain reliable and updated information about remuneration in the marketplace. The RNC has the authority to commission any reports or surveys, which deems necessary to help it fulfil its obligations.</p> <p>The functions, duties, and responsibilities of the RNC are detailed in its Terms of Reference, which is available on the Company’s corporate website at https://reservoirlink.com.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application :	Applied	
Explanation on application of the practice :	<p>Selection of candidates for the appointment of new Directors may be recommended by Directors, management, and major shareholders. The RNC will assess the suitability of the candidates before recommending the candidates to the Board for appointment.</p> <p>The RNC may seek external independent sources to identify suitably qualified candidates if necessary.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application :	Applied	
Explanation on application of the practice :	The Board has provided a statement to support the reappointment of the Directors and the reasons in the Company’s Notice of the 8 th Annual General Meeting to be held on 30 November 2023.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application :	Applied	
Explanation on application of the practice :	The RNC is chaired by an Independent Non-Executive Director, Siti Zurina Binti Sabarudin.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application :	Applied	
Explanation on application of the practice :	The Board composition currently comprises two (2) female Independent Non-Executive Directors representing 33.33% of the Board.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application :	Applied	
Explanation on application of the practice :	<p>The Company in its Annual Report 2023 disclosed that the Board is supportive of having at least 30% of women on the Board.</p> <p>However, for the best interests of shareholders and the long-term sustainability of the Group’s business, the selection of potential Directors and employees should be based solely on merit, skills and experience, without any bias towards cultural background or gender.</p> <p>As such, the Board upholds the responsibility to ensure that all Director appointments and employee hiring processes are free from any form of discrimination.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application :	Applied
Explanation on application of the practice :	<p>The Board through its RNC independently undertakes an annual evaluation of its performance and the performance of each of the committees as a whole. Areas of assessment include composition, knowledge, skills, and experience.</p> <p>The RNC on 23 March 2022 conducted its annual performance evaluations of the Board and the Board Committees for the financial year under review via questionnaires based on areas assessment mentioned above.</p> <p>Based on the evaluation, the Board and the RNC are satisfied with the overall high rating of the respective evaluations indicating that the Directors and committee members have fulfilled their responsibilities as board and committee members effectively.</p> <p>On 23 March 2022, the RNC also undertook its annual review of the term of office and performance of the AC and its members based on a prescribed set of criteria as set out in the Performance Evaluation Form and the results of the evaluation affirmed that the AC and its members have carried out their duties in accordance with their Terms of Reference.</p> <p>Accordingly, the Board recommended the re-election of the retiring Directors for shareholders' approval at the forthcoming Annual General Meeting to be held on 30 November 2023.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board established and approved the Remuneration Policy and Procedures for Directors and Senior Management on 22 March 2021 as the guiding document for the Board to determine and establish a formal and transparent procedure to structure the parts of remuneration packages for Directors and senior management to attract, motivate, reward, and retain the right talent in pursuing and drive the Company’s long-term goals and ensuring business sustainability and growth.</p> <p>The Remuneration Policy and Procedures for Directors and Senior Management are available on the Company’s corporate website at https://reservoirlink.com.</p> <p>On 23 March 2022, the RNC reviewed the remuneration package for Executive Directors, Non-Executive Directors and senior management and recommended it to the Board on 23 March 2022.</p> <p>The detailed remuneration of Executive Directors, Non-Executive Directors, and the band of key senior management personnel are disclosed in the CG Overview Statement on pages 76 to 77 of the Annual Report 2023.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application :	Applied	
Explanation on application of the practice :	<p>A RNC consists of most Independent Non-Executive Directors:</p> <p>a) Siti Zurina Binti Sabarudin (Chairman) b) Dato’ Ahmad Rizal Bin Abdul Rahman (Member) c) Elain Binti Lockman (Member)</p> <p>The RNC is principally responsible for establishing a remuneration policy that attracts, maintains, and retains a set of Directors and key senior management personnel of requisite calibre and skill set to propel the Company towards greater prospects and sustainable growth. The policy is also linked to remuneration packages that place weightage on seniority, experience, time commitment and the Company’s overall performance.</p> <p>RNC has its Terms of Reference which set out its functions, authority, duties, and responsibilities and is available on the Company’s corporate website at http://reservoirlink.com. The Terms of Reference was approved by the Board on 7 February 2020 and subsequently reviewed and amended on 23 March 2022.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind and other emoluments.

Application :	Applied
Explanation on application of the practice :	The details of the remuneration of each Director on a named basis are disclosed in the CG Overview Statement on page 76 of the Annual Report 2023.

No	Name	Directorate	Company ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Wan Hassan Bin Mohd Jamil	Group CEO/MD	36	-	693	-	232	-	961
2	Thien Chiet Chai	Non-Independent Executive Deputy Chairman	36	-	693	-	232	-	961
3	Datuk Tai Hee	Non-Independent Non-Executive Chairman	90	8	-	-	-	-	98
4	Eric Lim Swee Khoon (Retired on 12 May 2022)	Independent Non-Executive Director	22	6	-	-	-	-	28
5	Dato' Ahmad Rizal Bin Abdul Rahman (Appointed on 13 June 2022)	Independent Non-Executive Director	68	10	-	-	-	-	78
6	Siti Zurina Binti Sabarudin	Independent Non-Executive Director	72	19	-	-	-	-	91
7	Elain Binti Lockman	Independent Non-Executive Director	72	17	-	-	-	-	89

No	Name	Directorate	Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Wan Hassan Bin Mohd Jamil	Group CEO/MD	36	-	693	-	232	-	961
2	Thien Chiet Chai	Non-Independent Executive Deputy Chairman	36	-	693	-	232	-	961
3	Datuk Tai Hee	Non-Independent Non-Executive Chairman	90	8	-	-	-	-	98
4	Eric Lim Swee Khoon (Retired on 12 May 2022)	Independent Non-Executive Director	22	6	-	-	-	-	28
5	Dato' Ahmad Rizal Bin Abdul Rahman (Appointed on 13 June 2022)	Independent Non-Executive Director	68	10	-	-	-	-	78
6	Siti Zurina Binti Sabarudin	Independent Non-Executive Director	72	19	-	-	-	-	91
7	Elain Binti Lockman	Independent Non-Executive Director	72	17	-	-	-	-	89

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Company takes cognizance of the need for corporate transparency on the remuneration of key senior management executives, however, the disclosure of the Senior Management Personnel names and the remuneration component including salary and bonus, benefits-in-kind and other emoluments would be unfavourable to the Company due to the intense competition, scarcity for talents and to safeguard its Senior Management retention efforts.</p> <p>Hence, it is of the opinion that the disclosure based on the aggregate total remuneration of the top five (5) key Senior Management with breakdowns in the bands of RM50,000 in number disclosed in the CG Overview Statement on page 77 of the Annual Report 2023 is sufficient.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application :	Applied	
Explanation on application of the practice :	<p>The AC Chairman of the Company is Dato' Ahmad Rizal Bin Abdul Rahman, who is a member of the Chartered Institute of Management Accountants ("CIMA") UK and the Malaysian Institute of Accountants ("MIA"). The Chairman of the Board is Datuk Tai Hee.</p> <p>The positions of Board Chairman and AC Chairman are different individuals and allow the Board to objectively review the AC's findings and recommendations.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application :	Applied	
Explanation on application of the practice :	<p>The Company recognizes the need to uphold independence and has incorporated the requirement for a former key audit partner of external auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC in the Terms of Reference of AC.</p> <p>To date, none of the AC members were former key audit partners of the Group's statutory auditor.</p> <p>The Terms of Reference of the AC was approved by the Board on 26 August 2020 and subsequently amended on 23 March 2022 and is published on the Company's website at https://reservoirlink.com.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application :	Applied
Explanation on application of the practice :	<p>The Company has put in place policies and procedures to assess the suitability, objectivity, and independence of external auditors. The AC is responsible for making recommendations to the Board regarding the appointment, re-appointment, or termination of service of the external auditors.</p> <p>For the FPE2023, Messrs. Crowe Malaysia PLT ("Crowe"), the external auditor of the Company has given their assurance to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC had on 18 March 2022 and 17 October 2023 reviewed and assessed the suitability of Crowe and was satisfied with their performance, technical competence, and audit independence.</p> <p>Having regard to all the factors, Messrs Crowe Malaysia PLT have expressed their decision not to seek re-appointment as the auditors of the Company at the forthcoming 8th AGM.</p> <p>The Audit Committee had on 17 October 2023 conducted an assessment of the suitability and independence of potential firms and subsequently recommended the appointment of Messrs Nexia SSY PLT as the External Auditors of the Company in place of the retiring Auditors, Messrs Crowe Malaysia, for the financial period ending 30 June 2024.</p> <p>The Board concurred with the Audit Committee's recommendation and recommended the same for shareholders' approval at the forthcoming 8th AGM of the Company. Messrs Nexia SSY PLT have consented to act as the auditors of the Company.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Adopted
Explanation on adoption of the practice :	The Audit Committee composition consists of three (3) Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application :	Applied	
Explanation on application of the practice :	<p>The AC Chairman is a member of member of the Chartered Institute of Management Accountants (“CIMA”) UK and the Malaysian Institute of Accountants (“MIA”).</p> <p>The members are expected to devote sufficient time to update their knowledge and enhance their skills through continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices, and rules.</p> <p>The Audit Committee members will attend training programmes to keep abreast of relevant industry issues, market development and trends including accounting and auditing standards to enable them to sustain their active participation in the functions of the Audit Committee.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application :	Applied	
Explanation on application of the practice :	<p>The Board has put in place a structured risk management and internal control system for ongoing identification, evaluation and management of significant risks that may affect the Company’s business objectives. Periodic testing of the effectiveness and efficiency of the risk management and internal control framework is conducted to ensure that the system is effective. Such a system covers not only financial controls but also operational and compliance controls.</p> <p>The risk management framework adopted is in line with ISO31000:2018 principles and generic guidelines on risk management and outlines the risk governance and structure, risk policy, risk assessment process and integration of risk management into key activities and functions.</p> <p>The details of the Group’s risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 79 to 82 of the Annual Report 2023.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application :	Applied	
Explanation on application of the practice :	The Statement on Risk Management and Internal Control in the Company's Annual Report 2023 provides an overview of the state of risk management and internal controls framework within the Group as well as the adequacy and effectiveness of this framework.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Adopted
Explanation on adoption of the practice :	The RMC comprises: a) Non-Independent Deputy Chairman (Chairman) b) Two (2) Independent Non-Executive Directors (Members)

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application :	Applied	
Explanation on application of the practice :	<p>The Group’s internal audit function is outsourced to an independent professional service provider, which adopts the International Professional Practices Framework of the Institute of Internal Auditors, an international professional association of internal auditors, in carrying out internal audit assignments on the Group.</p> <p>During the FPE2023, the AC reviewed the work of the internal audit function, its observations, and recommendations to ensure that the AC obtained the necessary level of assurance with respect to the adequacy and operating effectiveness of the system of internal control. A follow-up visit is to be performed to monitor the implementation progress of audit recommendations to ensure all audit findings and control concerns have been addressed by the management in a timely manner.</p> <p>Further information on the internal audit function is disclosed in the Statement on Risk Management and Internal Control set out on pages 79 to 82 of the Annual Report 2023.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	An outsourced independent professional service provider, Tricor Axcelasia Sdn Bhd was appointed to assist the AC and the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control system established by the management.	
	:	The Engagement Director is Mr Chang Ming Chew, who holds a Certified Internal Auditor (“CIA”) and Certification in Risk Management Assurance (“CRMA”); and is a professional member of the Institute of Internal Auditors of Malaysia (“IIAM”), the Association of Chartered Certified Accountants (“ACCA”), and the Malaysian Institute of Accountants (“MIA”).	
	:	The number of staff deployed by Tricor Axcelasia Sdn Bhd for the internal audit ranges from three (3) to four (4) staff per visit including the Engagement Director. The staff involved in the internal audit hold professional qualifications and/or a university degree. Most of them are also the members of the Institute of Internal Auditors Malaysia. They are free from any relationships or conflicts of interest which could impair their objectivity and independence in conducting internal audits for the Group.	
	:	The internal audits were conducted in accordance with an approved risk-based internal audit plan and were guided by the International Professional Practice Framework.	
Explanation for departure	:		
	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application :	Applied
Explanation on application of the practice :	<p>The Group established a Corporate Disclosure Policy on 23 November 2020 and subsequently reviewed and amended it on 29 August 2022. This policy outlines the approach towards the determination and dissemination of material information, to maintain confidentiality of information, and disclosure to Bursa Malaysia. It also covers monitoring and responding to market rumours, leaks, inadvertent disclosures and restrictions on insider trading.</p> <p>In this regard, the Company strictly adheres to the disclosure requirements stipulated in the Listing Requirements and due care is taken to ensure material and market-sensitive information are not unduly disclosed before an official announcement is made to Bursa Malaysia for public release.</p> <p>The Company's corporate website http://reservoirlink.com serves as one of the convenient ways for shareholders and stakeholders to gain access to corporate information, news and events relating to the Group. Under the "Investors" section on the Company's corporate website, it provides relevant links to the Company's announcements including corporate information, corporate governance, financial information, stock information, investor center & and reports and investor resources. It serves as a platform for timely information and accurate disclosure of all material information to the stakeholders of the Company.</p> <p>The Company's AGM will also serve as the principal forum for dialogue and interaction among shareholders. Shareholders are welcome to participate in the question-and-answer session.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Company is not a Large Company as defined in the MCCG and hence, such requirement is not applicable.	
	The Company will consider adopting integrated reporting when the need arises.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the 8th AGM held in 2023 is issued 28 days before the meeting. This is to ensure that shareholders are given sufficient time to read and consider the resolutions to be resolved.</p> <p>The notice is also advertised in newspapers and made available on the Company’s website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	Applied	
Explanation on application of the practice :	<p>It has been the practice of the Company that all Directors be present at its General Meetings.</p> <p>The Chairman and all other members of the Board, key management personnel and external auditor are available to respond to shareholders' questions during the meeting.</p> <p>Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group.</p>	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application :	Applied	
Explanation on application of the practice :	<p>The previous 7th Annual General Meeting (“AGM”) of the Company, was conducted on a fully virtual basis through live streaming and online remote voting via an online meeting platform.</p> <p>The Company leverages technology and adopts electronic voting to facilitate live streaming and online remote participation and voting by the shareholders. This allows shareholders to attend, posing questions to the Board in real time and vote remotely via the Remote Participation and Voting facilities provided by our share registrar, Boardroom Corporate Services Sdn Bhd through its LumiAGM portal.</p> <p>Detailed procedures for the registration and participation at the sixth AGM of the Company are set out in the “Administrative Guide for Shareholders/Proxies” provided to the shareholders.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

sufficient opportunity to pose questions and the questions are responded to.		
Application	:	Applied
Explanation on application of the practice	:	<p>The 7th Annual General Meeting (AGM) was virtual. The Company issued the Annual Report 2021 for the 7th AGM together with administrative notes which encompassed the guidance on the conduct of the virtual meeting on 12 May 2022.</p> <p>The shareholders were allowed to submit their questions electronically through the online platform provided by the share registrar, Boardroom Share Registrars Sdn Bhd via its Boardroom Smart Investor Online website at https://boardroomlimited.my prior to AGM or used the query box to transmit questions to the Board of Directors via Remote Participation and Voting (RPV) facilities during live streaming of the AGM.</p> <p>The Chairman of the AGM had also informed the shareholders during the live streaming of the AGM on 12 May 2022 that they could submit their questions and comments to the Board during the AGM via the RPV facilities; and the answers to all the questions were addressed by the GCEO/Executive Director before the commencement of the poll voting.</p> <p>In view thereof, the shareholders were given sufficient opportunity to pose their questions before the AGM and during the AGM. The Company had ensured that all the questions were answered.</p>
	Explanation for departure	:
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Reader should also provide brief reasons on the choice of the meeting platform.		
Application :	Applied	
Explanation on application of the practice :	<p>The Remote Participation and Voting (“RPV”) facilities provided by the share registrar, Boardroom Share Registrars Sdn Bhd via its Boardroom Smart Investor Online website at https://boardroomlimited.my allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of the AGM and up to the time when the meeting was in progress.</p> <p>At the “Questions and Answers” session in the meeting agenda, the online platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real-time interaction with the Board during the AGM. Questions posed by shareholders were made visible to all meeting participants during the meeting itself via Remote Participation and Voting (“RPV”) facilities.</p>	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.

Application :	Applied	
Explanation on application of the practice :	The minutes of the 7 th AGM were made available to shareholders on the Company’s website at http://reservoirlink.com within 30 business days after the 7 th AGM.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.