

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0219
COMPANY NAME : Reservoir Link Energy Bhd
FINANCIAL YEAR : December 31, 2020

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 a 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 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 good corporate governance culture within the Company which reinforce 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 in respect of the succession plan of the Group;g. Ensuring senior management has sufficient calibre and a succession plan is in place to ensure continuity of management;h. Ensuring that the company has in place procedures to enable effective communication with stakeholders; and

	<p>i. Devoting sufficient time and effort to stay abreast and keep informed on all matters of importance to the Group.</p> <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 preceding page. All matters not specifically reserved to the Board and which are necessary for the day-to-day operations of the Group are delegated to Management to operate within the authorities delegated.</p> <p>A copy each of the Board Charter and Terms of Reference of the respective committees are available on the Company's corporate website at www.reservoirlink.com.</p>	
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 and Non-Executive Director, is responsible for the leadership, effectiveness, conduct and 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 Company Secretary, setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;• 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 Management; and• ensuring effective, transparent and regular communications with shareholders and other stakeholders. <p>A detailed roles and responsibilities of the Chairman are stated in the Board Charter which is available on corporate website at www.reservoirlink.com.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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, and the CEO/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 CEO/MD is Dato' Wan Hassan Bin Mohd Jamil.</p> <p>The Chairman is responsible for instilling good governance practices and leadership of the Board whilst the CEO/MD is the head of Management with overall responsibility for 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 and CEO/ MD as set out in the Board Charter are as follow:</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 in a timely manner;• 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 Management; and• ensuring effective, transparent and regular communications with shareholders and other stakeholders. <p>b) CEO/MD</p> <ul style="list-style-type: none">• Developing the strategic direction, operational plan and budget of the Reservoir Link Group;• Ensuring that the Reservoir Link 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;

	<ul style="list-style-type: none"> • Maintaining a positive and ethical working environment that is conducive and hence able to retain and motivate a diverse work force; • Reviewing the organisational structure and ensuring that all functions contribute to the success of the Reservoir Link Group; • Assessing business opportunities which are of potential benefits to the Group; and • Keeping the Board fully informed of all-important aspects and relevant matters in relation to the Reservoir Link Group's operations in an accurate and timely manner. 	
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 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 two (2) Company Secretaries, namely Ms. Pauline Kon Suk Khim and Mr. Ho Khee Jeem who are both qualified and licensed to act as Company Secretary under the Companies Act 2016. Ms. Pauline Kon Suk Khim is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") with over 25 years of experience in corporate secretarial practices. Mr. Ho Khee Jeem is member of CPA Australia and the Malaysian Institute of Accountants ("MIA") and is also the Chief Financial Officer of the Group.</p> <p>All Directors have accessed to the advice and services of the Company Secretaries for the purposes of the Board's affairs and the business. As set out in the Board Charter, the key responsibilities of Company Secretaries include:</p> <ul style="list-style-type: none">a. Manage all Board and committee meeting 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 annual shareholder 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 Secretaries constantly keep themselves abreast of the regulatory changes and corporate governance developments through attendance at relevant workshops, conferences and training programmes. Overall, the Board is satisfied with the support rendered by the Company Secretaries in discharging their functions.</p>

Explanation for departure	: Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not applicable	
Timeframe	: Not applicable	

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

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>In order to facilitate the Directors' time planning, the Board and Board Committee meetings, annual general meeting as well as closed periods for dealings in securities of the Company are scheduled in advance and tabled to the Board meeting at the month of November of previous year for next financial year.</p> <p>The notice, agenda and Board papers were circulated to all Directors at least 7 days in advance from the date of Board meetings to ensure that the Directors were well informed and had the opportunity to seek additional information or further clarification as required. In certain cases, the meeting materials may be circulated less than 7 working days prior to the dates of meetings due to timing issues in collating relevant information and details.</p> <p>During financial year 2020, the Board conducted three (3) Board's meeting on 7 February 2020, 28 August 2020, and 23 November 2020 respectively.</p> <p>All pertinent issues discussed and decisions made at the Board meetings were recorded by the Company Secretaries. The Chairman signed on the minutes upon confirmation by the Board and Board Committees at the next Board meeting. Actionable matters were recorded in the minutes until they were eventually resolved.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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, CEO/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"> a. The overall corporate strategy and direction, business plans and annual budget including major capital commitments; b. Acquisition and disposal of assets of the Company or its subsidiaries that are material in nature; c. Investment or divestment in a company / business/ property/ undertaking; d. Key policies and the delegation of authority guidelines of the Company; e. Undertaking new business activities in non-traditional/ non-core areas; f. Decision to cease to operate all or any material part of the Group's business; g. Succession management of Group Managing Director/ Chief Executive Office and key Senior Management; and h. Any amendments to the matters reserved for the Board. <p>The Board Charter was approved by the Board on 7 February 2020 and this Charter shall be reviewed periodically to ensure consistency with the prevailing regulations as well as in line with the listing requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Malaysian Code of Corporate Governance ("MCCG").</p> <p>The Board Charter is made available for reference in the corporate website at www.reservoirlink.com.</p>
Explanation for departure	:	Not applicable

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 safe working environment, good business conduct and maintain a healthy corporate culture that engenders integrity, transparency and fairness. The COBC serves as a guide for Company's Directors and employees to observe ethical and legal business standards when dealing with other parties and when performing their daily duties at work place 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 observe and adhere to the COBC at all time during their services with the Group.</p> <p>The Board is steadfast in providing a workplace that is free from sexual harassment and has in place its Sexual Harassment Policy that outlines the situation and forms of employment related sexual harassment that may take place. Disciplinary action which includes termination of employment will be taken by the Company for any occurrence of sexual harassment conduct.</p> <p>The Group takes a zero-tolerance approach to bribery and corruption. The Anti Bribery and Corruption Policy ("ABC Policy") has been established to ensure that the Group's business is conducted in a socially ethical manner.</p> <p>The COBC, Sexual Harassment Policy and ABC Policy are published on the corporate website at www.reservoirlink.com and it will be reviewed from time to time by the Board to ensure that it continues to remain relevant and appropriate.</p>

Explanation for departure	: Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not applicable	
Timeframe	: Not applicable	

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 Board formalised its Whistleblowing Policy on 28 May 2020. 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 provides protection for the whistleblower(s) who report such allegations.</p> <p>The whistleblower can report their concerns via email directed to the Chairman of Audit Committee and the Chairman or via letters/ documents/ reports directly to Chairman of Audit Committee.</p> <p>This policy is reviewed periodically and may be amended as it deems appropriate to ensure its relevance and effectiveness.</p> <p>The detail of Whistleblowing Policy can be found on the corporate website at www.reservoirlink.com.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 4.1

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 of six members, one Non-Independent Non-Executive Chairman, one CEO/MD, one Non-Independent Executive Director and three Independent Non-Executive Directors. Hence, half of the board comprises of independent directors.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	None of the Independent Directors exceed a cumulative term of 9 years.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has set in the Board Charter that the tenure of its independent directors shall be for a cumulative period of 9 years from his/ her appointment as an Independent Director. Upon completion of the 9 years, the independent director may continue to serve on the Board as a non-independent director.

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consists of individuals from diverse professional backgrounds, skill sets and perspective. This composition and size shall constitute an effective Board to facilitate the making of informed and critical decision.</p> <p>A Remuneration and Nomination Committee ("RNC") is appointed to assist the Board to establish a formal and transparent procedure on 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 authorised 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 is detailed in its Term of Reference, which is available on the corporate website at www.reservoirlink.com.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>Board Charter specifies that at least one female Director but endeavour to meet the target of at least 30% women directors.</p> <p>The Board composition currently comprises two (2) female Independent Non-Executive Director representing 33.33% of the Board.</p> <p>Although the Board did not develop any formal gender diversity policy in the selection of new Board candidates, the selection on the suitability of candidates as new Board member or as a member of the workforce is mainly based on the candidates' competency, skills, character, commitment, experiences and other qualities in meeting the needs and expectation of the Group.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 4.6

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Selection of candidates for 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 candidate if necessary.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration and Nomination Committee ("RNC") is chaired by an Independent Non-Executive Director, Siti Zurina Binti Sabarudin.</p> <p>The Company was officially listed on the ACE Market of Bursa Malaysia on 15 July 2020 and yet to appoint the Senior Independent Director.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

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 had on 15 March 2021 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 22 March 2021, the RNC also undertook its annual review of the term of office and performance of the Audit Committee (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 10 May 2021.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable

Timeframe	:	Not applicable	
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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 6.1

The board has in place 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 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 has established the Remuneration Policy and Procedures for Directors and Senior Management as the guiding document for the Board to determine and establish a formal and transparent procedure to structure the component 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>Remuneration Policy and Procedures for Directors and Senior Management are available on the Company's corporate website. The detailed remuneration of Executive Directors, Non-Executive Directors and the band of top (5) Key Senior Management personnel are disclosed in the CG Overview Statement on pages 56 of the Annual Report 2020.</p> <p>In 15 March 2021, the RNC has reviewed the remuneration package for Executive Directors, Non-Executive Directors and Senior Management and recommended to the Board on 22 March 2021.</p>
Explanation for departure	:	Not applicable
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 6.2

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 a majority of Independent Non-Executive Directors:</p> <ul style="list-style-type: none">a) Siti Zurina Binti Sabarudin (Chairman)b) Datuk Tai Hee (member)c) Eric Lim Swee Khoo (member)d) Elaine Binti Lockman (member) <p>The RNC is principally responsible to establish 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 clearly set out its functions, authority, duties and responsibilities and available on the company's website at www.reservoirlink.com. The Term of Reference was approved by the Board on 7 February 2020.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable

Timeframe	:	Not applicable	
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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 7.1

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 individual Directors on named basis are disclosed in the CG Overview Statement on pages 56 of the Annual Report 2020.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 7.2

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 cognisance of the need for corporate transparency on the remuneration of key senior management executives, however, the disclosure of details on a named basis may be detrimental to its business interests, given the competitive human capital environment for personnel with the requisite knowledge, expertise and experience of the Company's business activities.</p> <p>Hence it is of the opinion that the disclosure based on the aggregate total remuneration with breakdowns and in the bands RM50,000 in number as disclosed in the CG Overview Statement on page 56 of the Annual Report 2020 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 7.3 - 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 8.1

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 Mr. Eric Lim Swee Khoo, who is a member of Certified Practising Accountant ("CPA") Australia and 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	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises 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 two (2) 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 Term of Reference of the AC was approved by the Board on 26 August 2020 and is published on the company's website at www.reservoirlink.com.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has put in place the policies and procedures to assess the suitability, objectivity and independence of external auditors. The AC is responsible to make recommendation to the Board regarding the appointment, re-appointment or termination of service of the external auditors.</p> <p>In the financial year 2020, 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 15 March 2021 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, the Board had approved the AC's recommendation that shareholders' approval be sought at the forthcoming AGM for the reappointment of KPMG PLT as the External Auditors of the Company.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	Audit Committee composition includes a Non-Independent Non-Executive Chairman and 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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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 CPA Australia and Malaysian Institute of Accountants.</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	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 9.1

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 on-going identification, evaluation and managing 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 are conducted to ensure that the system is effective. Such 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, 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 of the Annual Report 2020.</p>	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 9.2

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 2020 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	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 9.3 - 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	:	Not Adopted
Explanation on adoption of the practice	:	Risk Management Committee comprises: a) Chief Executive Officer/ Managing Director (Chairman) b) A Non-Independent Executive Director (member) c) Two (2) Independent Non-Executive Directors (member)

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 10.1

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 financial year ended 31 December 2020, 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. 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 on a timely manner.</p> <p>Further information on the internal audit function are disclosed in the Statement on Risk Management and Internal Control set out on page 51 of the Annual Report 2020.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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 10.2

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	:	<p>An outsourced independent professional service provider, Tricor Axcelasia Sdn. Bhd. (the succeeding Company of NGL Tricor Governance Sdn. Bhd.) was appointed to assist the Audit Committee and the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control system established by the Management.</p> <p>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 with the Institute of Internal Auditors of Malaysia (IIAM), the Association of Chartered Certified Accountants (ACCA), and the Malaysian Institute of Accountants (MIA).</p> <p>The number of staff deployed by Tricor Axcelasia Sdn. Bhd. for the internal audit ranging from 3 to 4 staff per visit including the Engagement Director. The staff involved in the internal audit holds 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 audit for the Group.</p> <p>The internal audits were conducted in accordance with an approved risk-based internal audit plan and were guided by the International Professional Practice Framework.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has established a Corporate Disclosure Policy on 23 November 2020. 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 for monitoring and responding to market rumours, leaks and 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 www.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 centre & 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 welcomed to participate in the question & answer session.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Not applicable	
Timeframe	:	Not applicable	

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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:	Not applicable	
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.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 12.1

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

Application	:	Departure	
Explanation on application of the practice	:	Not applicable	
Explanation for departure	:	Reservoir Link Energy Bhd was officially listed on the ACE Market of Bursa Malaysia on 15 July 2020. The practise will be applied from 2021’s AGM onwards. The Company will be conducting its first AGM after listing on 10 May 2021. The Notice of AGM will be served at least 28 days prior to the AGM to ensure sufficient time and notice are given for shareholders to make the necessary logistic arrangements, consider the resolution and make informed decisions when exercising their voting rights.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 12.2

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	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<p>The Sixth Annual General Meeting of the Company to be held on 10 May 2021, which is the first AGM of the Company since the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 15 July 2020, will be held as a fully virtual meeting through live streaming and online remote voting from the broadcast venue.</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 via 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>
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	:	Not applicable
Timeframe	:	Not applicable

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.

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