



RIVERSTONE HOLDINGS LIMITED
(Company Registration Number 200510666D)
(Incorporated In the Republic of Singapore)

RESPONSE TO SGX QUERY IN RELATION TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Riverstone Holdings Limited (“the Company” or together with its subsidiaries “the Group”) refers to the query raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 11 May 2020 relating to the Company’s announcement released on 14 April 2020 regarding the Annual Report for the financial year ended 31 December 2019 (“FY2019 Annual Report”).

The Company wishes to provide its response to the query raised by SGX-ST:

SGX-ST QUERY

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your FY2019 annual report on how it is consistent with the intent of Principle 8 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

COMPANY’S RESPONSE

Provision 8.1 of the Code provides: “The company discloses in its annual report of the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors of the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.”

The Company has disclosed the following on Page 25 of the FY2019 Annual Report:

- Names and remuneration breakdown of individual Directors (including CEO and Alternate Director) in bands of S\$250,000 (instead of on a quantum basis) for reasons of competition; and
- The remuneration breakdown of the top six (6) key management personnel (who are not Directors or the CEO) in bands of S\$250,000 (instead of aggregate total remuneration paid to these key management personnel) in order to maintain confidentiality of staff remuneration and to prevent poaching of key management personnel in the competitive industry.

While the said disclosure practice varies from Provision 8.1 of the Code, as disclosed on Page 25 of the FY2019 Annual Report, the Board is of the view that specific remuneration disclosure of individual directors (including CEO and Alternate Director) and aggregate total remuneration of top six (6) key management personnel is not in the best interest of the Company considering the competitive industry and it may adversely affect the Company's talent retention efforts, given the sensitive nature in the industry for key talent.

Additional information on the compensation paid to Directors of the Company and other key management personnel is also provided in Note 22(b) to the Financial Statements of the FY2019 Annual Report.

In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance, risk policies and the performance of individual directors.

Considering the reasons for the variation in the disclosure practice under Provision 8.1 of the Code, the Board believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, and these are consistent with the intent of Principle 8 of the Code.

BY ORDER OF THE BOARD

Wong Teek Son
Executive Chairman/Chief Executive Officer

12 May 2020