



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

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**RESPONSE TO SGX QUERIES ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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The Board of Directors of Riverstone Holdings Limited (“**the Company**” or together with its subsidiaries “**the Group**”) refers to the queries raised by the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) on 8 April 2022 relating to the Company’s Annual Report for the year ended 31 December 2021 (“**FY2021**”) released by the Company on 1 April 2022. The Company’s response is as follow:

**Question 1**

We note that the Company had not complied with Provision 9.2(b) of the Code with regards to assurance received from the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control system, and there were no explanations provided for in your annual report on how it is consistent with the intent of Principle 9 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 9 of the Code, which requires that the Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguards the interests of the company and its shareholders.

**Company’s Response:**

The Company had disclosed receipt of assurance in writing from CEO and CFO in Page 30 of the FY2021 Annual Report which stated as follow:

*“The Board received assurance in writing from CEO and CFO that financial records have been properly maintained and financial statements of the Company give a true and fair view of the Company’s operations and finance. The assurance from CEO and CFO also includes effectiveness of the Company’s risk management and internal control systems (including financial, operational, compliance and information technology). However, the Board also notes that no system of internal controls and risk management systems can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.”*

The Board confirmed it had also received assurance from CEO and CFO on the adequacy of the Company’s risk management and internal control systems (including financial, operational, compliance and information technology).

The Company complied with Provision 9.2 of the Code as the Board had received assurance from the CEO and CFO relating to:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

- (b) the adequacy and effectiveness of the company's risk management and internal control systems (including financial, operational, compliance and information technology).

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, Board Committees and the Board, the Board is satisfied that the Group's risk management systems and internal controls (including financial, operational, compliance and information technology) were adequate and effective as at FY2021. The AC concurred with the Board's comments on the adequacy and effectiveness of internal controls (including financial, operational, information technology and compliance) and risk management systems. These controls are and will be continually assessed for improvement. The AC assists the Board to oversee the Company's risk management framework and policies.

## **Question 2**

We note that the Company had not complied with Provisions 8.1 and 8.2 of the Code with regards to the disclosure of remuneration, and there were no explanations provided for in your 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:**

Provisions 8.1 of the Code states that: "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 or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel."

Meanwhile, Provision 8.2 of the Code required the Company to disclose the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report.

The Company has disclosed the following on pages 28 and 29 of the FY2021 Annual Report with reason for deviation from Provision 8.1 of the Code:

- names and remuneration breakdown of individual Executive Directors (including the CEO) in bands of S\$250,000 (instead of quantum basis) for reasons of competition;
- The remuneration breakdown of the top seven (7) key management personnel (who are not Directors or the CEO) in bands of S\$250,000 without disclosing aggregate total remuneration paid to these key management personnel 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.

As disclosed in Page 29 of the FY2021 Annual Report, the Group does not have any employees who are immediate family members of a Director or the CEO and or a substantial shareholder of the Company whose remuneration exceeded S\$100,000 for the FY2021 except for Mr Wong Teek Son and Mr Wong Teck Choon who are brothers. Their remuneration was disclosed in bands of S\$250,000 and the reason for deviation was mentioned above.

The remuneration policies and practices of the Company, relationship between remuneration, performance and value creation, and procedure for setting remuneration, relating to the Executive Directors and key management personnel were set out on pages 26 to 27 of the FY2021 Annual Report.

The Board is of the view that it is not in the best interest of the Company to provide full disclosure of the specific remuneration of each director and key management personnel, considering the highly competitive business environment which the Group operates and the potential impact of such disclosure will have on the Group as well as the Group's retention efforts for key talent especially in anticipation of post-pandemic time, and that the current disclosure on a named basis and in bands of S\$250,000 was sufficient.

Considering the reasons for the variation in the disclosure practice under Provision 8.1 and 8.2 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 April 2022