

## A. The Rights of Shareholders

| A.1 Basic Shareholder Rights  |  |
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| A.1.1   | Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company pay the dividend within 60 days?  |
|   | Yes. All shareholders are treated equally and are paid within 30 days after the proposed dividend is approved by the board or by shareholders at the Annual General Meeting. In FY16, both the interim and final dividend were paid to all shareholders 29 days and 27 days respectively, after being approved.<br><br>Reference:<br><b>Corporate website:</b> <a href="http://www.sembcorp.com/en/investor-relations/share-information/dividend-information">http://www.sembcorp.com/en/investor-relations/share-information/dividend-information</a>                                       |
| A.2 Right to participate in decisions concerning fundamental corporate changes  |  |
| <i>Do shareholders have the right to participate in:</i>  |  |
| A.2.1   | Amendments to the company's constitution?  |
|   | Yes. The company strictly adheres to Singapore Companies Act, Cap 50 which requires any amendments to the company's Constitution be approved by special resolution where all shareholders have the rights to participate and vote on the amendments.   |
| A.2.2   | The authorisation of additional shares?  |
|   | Yes. The approval required is set out under Resolution 9 in the Notice of Annual General Meeting (AGM).<br><br>Reference:<br><b>Notice of AGM</b> dated 28 March 2017 (Annual Report 2016, page 361-369)   |
| A.2.3   | The transfer of all or substantially all assets, which in effect results in the sale of the company?   |
|   | Yes. The company strictly adheres to Singapore Companies Act, Cap 50 and SGX Listing Rule which requires that any proposals for disposing of the whole or substantially the whole of the company's undertaking or property be approved by shareholders of the company in a general meeting.  |
| A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings |  |
| A.3.1   | Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?  |
|   | Yes. The approval required is set out under Resolution 7 in the Notice of AGM.<br><br>Reference:<br><b>Notice of AGM</b> dated 28 March 2017 (Annual Report 2016, page 361-369)  |
| A.3.2   | Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?   |
|   | Yes. The Company's Constitution and the Companies Act allows members holding not less than 5% of the total voting rights to propose any resolution including the nomination of candidates to the board of directors.   |
| A.3.3   | Does the company allow shareholders to elect directors/commissioners individually?   |
|   | Yes. At the AGM held on 19 April 2017, directors seeking re-election & re-appointment were voted individually and the results of the vote was announced via the Singapore Exchange (SGX) and the corporate website.  |
| A.3.4   | Does the company disclose the voting procedures used before the start of the meeting?  |
|   | Yes. The company conducts electronic poll voting at shareholder meetings for greater transparency. An independent service provider, Trusted Source, provides the system to conduct the electronic poll voting. A short video clip explaining the voting process was shown to shareholders before the AGM commenced.<br><br>Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Conduct of Shareholder Meetings, page 147-148   |
| A.3.5   | Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?  |
|   | Yes. Shareholders present at the AGM were given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions were voted on. This is recorded in the Minutes of shareholder meetings, which are available upon request by shareholders.<br><br>Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Conduct of Shareholder Meetings, page 147-148   |
| A.3.6   | Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?   |
|   | Yes. The total number of votes cast for or against each resolution is tallied and displayed live on-screen at the AGM immediately after the vote has been cast.<br><br>Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Conduct of Shareholder Meetings, page 147-148   |
| A.3.7   | Does the company disclose the list of board members who attended the most recent AGM?  |
|   | Yes. Attendance of the Board members at the AGM can be found on our website. The board was in full attendance at the 2017 AGM held on 19 April 2017.<br><br>Reference:<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/investor-relations/annual-general-meeting/">http://www.sembcorp.com/en/investor-relations/annual-general-meeting/</a>  |
| A.3.8   | Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?   |
|   | Yes. Attendance of the Board members, Group CEO and Group CFO at the AGM can be found on our website. The board was in full attendance at the 2017 AGM held on 19 April 2017.<br><br>Reference:<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/investor-relations/annual-general-meeting/">http://www.sembcorp.com/en/investor-relations/annual-general-meeting/</a>   |
| A.3.9   | Does the company allow voting in absentia?   |
|   | Yes. The Company's Constitution allows all shareholders the right to appoint up to two proxies to attend, speak and vote on their behalf at general meetings. Under the new multiple proxy regime, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board (CPF), are allowed to appoint more than two proxies to participate at general meetings.<br><br>Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Conduct of Shareholder Meetings, page 148 |

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| A.3.10 Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?  | <p>Yes. Since 2012, the company conducts electronic poll voting at AGMs for greater transparency in the voting process.</p> <p>Reference:<br/><b>Annual Report 2016</b>, Corporate Governance Statement, Conduct of Shareholder Meetings, page 147-148</p>  |
| A.3.11 Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?   | <p>Yes. The appointment was announced together with the result of the votes via SGX.</p> <p>Reference:<br/><b>Corporate Website</b>: <a href="http://www.sembcorp.com/en/media/513897/aggm2017-sgx-announcement.pdf">http://www.sembcorp.com/en/media/513897/aggm2017-sgx-announcement.pdf</a></p>  |
| A.3.12 Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?   | <p>Yes. The result of the votes was announced on 19 April 2016, on the same day after the meeting on SGX.</p> <p>Reference:<br/><b>Annual Report 2016</b>, Corporate Governance Statement, Conduct of Shareholder Meetings, page 147-148<br/><b>Corporate Website</b>: <a href="http://www.sembcorp.com/en/media/513897/aggm2017-sgx-announcement.pdf">http://www.sembcorp.com/en/media/513897/aggm2017-sgx-announcement.pdf</a></p>  |
| A.3.13 Does the company provide at least 21 days notice for all AGMs and EGMs?  | <p>Yes.<br/>Notice of AGM : 28 March 2017<br/>Date of AGM : 19 April 2017</p> <p>Reference:<br/><b>Notice of AGM</b> dated 28 March 2017 (Annual Report 2016, page 361-369)</p>   |
| A.3.14 Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?   | <p>Yes. Explanatory notes are provided on Agenda items in the Notice of AGM.</p> <p>Reference:<br/><b>Notice of AGM</b> dated 28 March 2017 and Letter to Shareholders dated 28 March 2017.<br/><a href="http://www.sembcorp.com/en/media/513895/notice-of-annual-general-meeting.pdf">http://www.sembcorp.com/en/media/513895/notice-of-annual-general-meeting.pdf</a><br/><a href="http://www.sembcorp.com/en/media/504543/letter-to-shareholders.pdf">http://www.sembcorp.com/en/media/504543/letter-to-shareholders.pdf</a></p>   |
| A.3.15 Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?  | <p>Yes. The Company's Constitution allows all shareholders to call for general meetings.</p>  |
| <b>A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner</b>   |   |
| A.4.1 In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price? | <p>Yes. The rules of the Singapore Code on Take-Overs and Mergers require the company to do so.</p>   |
| <b>A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated</b>   |   |
| A.5.1 Does the company disclose its practices to encourage shareholders to engage the company beyond the AGM?   | <p>Yes. Beyond the Annual General Meeting (AGM), the company proactively engages with shareholders and has a dedicated investor relations team, as well as an investor relations section on the corporate website. Meanwhile, all shareholders are invited to participate in the company's general meetings. The corporate website has a AGM webpage which has all the pertinent information in one place.</p> <p>Reference:<br/><b>Annual Report 2016</b><br/>-Corporate Governance Statement, Conduct of Shareholder Meetings, page 147-148<br/>-Investor Relations, page 150<br/><b>Corporate Website</b>: <a href="http://www.sembcorp.com/en/investor-relations">http://www.sembcorp.com/en/investor-relations</a></p> |

## B. Equitable Treatment of Shareholders

| B.1 Shares and Voting Rights  |   |  |
|---|---|--|
| B.1.1   | Does the company's ordinary or common shares have one vote for one share?   | Yes. The Company's ordinary share carries one vote for every share, except those purchased and held by the company as treasury shares which have no voting rights.<br><br>Reference:<br><b>Constitution of the Company</b><br><a href="http://www.sembcorp.com/en/media/73512/sci-constitution.pdf">http://www.sembcorp.com/en/media/73512/sci-constitution.pdf</a>  |
| B.1.2   | Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website/reports/the stock exchange/the regulator's website)? | The Company only has one class of ordinary shares with equal voting rights.<br><br>Reference:<br><b>Annual Report 2016</b> , Shareholders' Information, page 346<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/investor-relations/share-information">http://www.sembcorp.com/en/investor-relations/share-information</a>  |
| B.2 Notice of AGM   |   |  |
| B.2.1   | Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?  | Yes. Each resolution only deals with a single item and there is no bundling of several items into a resolution.<br><br>Reference:<br><b>Notice of AGM</b> dated 28 March 2017 (Annual Report 2016, page 361-369)   |
| B.2.2   | Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?   | Yes. The notices of the 2017 AGM were published in both English and Chinese on the same date in these local newspapers - The Business Times and Lianhe Zaobao respectively.  |
| <i>Does the notice of AGM/circulars have the following details:</i> |   |  |
| B.2.3   | Are the profiles of directors/commissioners (at least age, academic qualifications, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?               | Yes. Detailed information can be found in the Board of Directors and Corporate Governance Statement sections in the 2016 Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> - Board of Directors, page 30-35/Board Members for 2016, page 134.  |
| B.2.4   | Are the auditors seeking appointment/re-appointment clearly identified?   | Yes. It is clearly identified under Resolution 8 in the Notice of AGM.<br><br>Reference:<br><b>Notice of AGM</b> dated 28 March 2017 (Annual Report 2016, page 361)  |
| B.2.5   | Were the proxy documents made easily available?   | Yes. The proxy form is appended to the Notice of AGM and is also available on the corporate website.<br><br>Reference:<br><b>Notice of AGM</b> dated 28 March 2017 (Annual Report 2016, last page)<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/ar/ar2016/assets/download/Proxy%20Form.pdf">http://www.sembcorp.com/ar/ar2016/assets/download/Proxy%20Form.pdf</a>  |
| B.3 Insider trading and abusive self-dealing should be prohibited   |   |  |
| B.3.1   | Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?   | Yes. The company has adopted a Code of Compliance on Dealing in Securities, which prohibits dealings in the company's security by its directors and senior management within two weeks prior to the announcement of the company's financial statement for each of the first three quarters of its financial year and within one month prior to the announcement of the company's full year financial statement. Directors and employees are also expected to observe insider trading laws at all times, even when dealing in the company's securities outside the prohibited trading period, and are reminded not to deal in the company's securities on short-term consideration.<br><br>Reference:<br><b>Annual Report 2016</b> , Dealings in Securities, page 148 |
| B.3.2   | Are the directors/commissioners required to report their dealings in company shares within 3 business days?   | Yes. They are required to report their dealings in company shares within 2 business days in accordance to the Securities and Futures Act.  |
| B.4 Related party transactions by directors and key executives      |   |  |
| B.4.1   | Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?  | Yes. Directors are required to comply with the Companies Act, Cap 50 to disclose their interest in transactions and other conflicts of interest. The company has in place an Interested Person Transactions Mandate (approved by shareholders at AGM) and a Conflict of Interest policy.<br><br>Reference:<br><b>Annual Report 2016</b> , Interested Person Transactions, page 344   |
| B.4.2   | Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?                  | Yes. Audit Committee (AC) review and act in the interest of the shareholders in respect of interested person transactions (IPT). IPTs are reviewed by AC.<br><br>Reference:<br><b>Annual Report 2016</b> , Authority and duties of the AC, page 145; Interested person transactions page 148-149   |
| B.4.3   | Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?                                   | Yes. The Board of Directors shall comply with Section 156 of the Companies Act, Cap 50 to declare their interest in a transaction or proposed transaction with the company as soon as practicable, at a meeting of the directors of the company.<br>Article 105 of the Company's Constitution stipulate that a director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest, directly or indirectly. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.  |
| B.4.4   | Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?                               | The company does not provide loans to directors.   |

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| <b>B.5</b>                           | <b>Protecting minority shareholders from abusive actions</b>  |  |
| B.5.1                                | Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?           | <p>Yes. The disclosure is in the Letter to Shareholders on Interest Person Transactions (IPT) Mandate. IPT Mandate defines the levels and procedures to obtain approval for such transactions, to ensure that these transactions are conducted fairly and at arm's length.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, interested person transactions page 148-149</p> |
| B.5.2                                | In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders? | The IPT Mandate (described in B.5.1) are approved at the shareholders' meeting and Interested Persons (e.g. Temasek Holdings) are abstained from voting.   |

## C. Role of Stakeholders

### C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected

#### Does the company disclose a policy and practices that address:

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|-------|---|---|
| C.1.1 | The existence and scope of the company's efforts to address customers' welfare?   | <p>Yes. Under the ESG Review - Product Responsibility: Safety and quality and the Sembcorp's Group HSE Policy, Sembcorp is committed to designing, building, operating and maintaining facilities in a manner that safeguards people, property and the environment.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, ESG Review, Health and Safety, Product responsibility: safety and quality - page 111<br/> <b>Corporate Website:</b><br/> <a href="http://www.sembcorp.com/en/media/272298/hse-policy.pdf">http://www.sembcorp.com/en/media/272298/hse-policy.pdf</a><br/> <a href="http://www.sembcorp.com/ar/ar2016/environment-social-governance/our-material.html">http://www.sembcorp.com/ar/ar2016/environment-social-governance/our-material.html</a></p>   |
| C.1.2 | Supplier/contractor selection procedures?   | <p>Sembcorp's procurement policy guides our assessment of suppliers and contractors to ensure that they are chosen for their ability to deliver over the long term and operate in a responsible manner. Suppliers and contractors are required to undergo an extensive pre-qualification process which vets their ability to sustain their business. This includes checks on areas such as financial viability, human resource policy, quality management system and litigation history. The vendors' capabilities are also reviewed, taking into account the qualifications and experience of their personnel and track records. Suppliers' HSE records and processes as well as their labour conditions and community impact, are also considered. The company also expects our suppliers to abide by our Code of Business Conduct.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, Sustainability Report, Supply Chain Management, page 98<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/sustainability-code-conduct.aspx">http://www.sembcorp.com/en/sustainability-code-conduct.aspx</a></p>  |
| C.1.3 | The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development? | <p>Our key operations carry out an annual evaluation of vendor performance for our top suppliers. Through this process, we rate these suppliers on health, safety and the environment (HSE), as well as quality assurance and service level criteria. We also review their audited financial reports. In addition, for all our EPC contracts, contractors are assessed based on their track records with respect to safety, project type, size and location experience, among other evaluation criteria. We value the opportunity to positively influence our service providers and suppliers towards greater HSE awareness and social responsibility. Suppliers and contractors who work with Sembcorp are expected to respect and follow the Code of Business Conduct (CBC). CBC articulates Sembcorp's approach to sustainable development. We believe that securing a pool of suppliers that share our commitment to sustainability will mitigate risks to our operations and reputation.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, ESG Review - page 98, page 128<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/ar/ar2016/assets/download/ESG%20Review.pdf">http://www.sembcorp.com/ar/ar2016/assets/download/ESG%20Review.pdf</a></p>                                       |
| C.1.4 | The company's efforts to interact with the communities in which they operate?   | <p>Yes. Details can be found in the annual report and the corporate website.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, Assessment and Engagement, page 116</p> <p><b>Corporate Website:</b><br/> <a href="http://www.sembcorp.com/en/sustainability/our-focus-areas/social/">http://www.sembcorp.com/en/sustainability/our-focus-areas/social/</a> (Community section)<br/> <a href="http://www.sembcorp.com/en/sustainability/our-approach/feature-stories/">http://www.sembcorp.com/en/sustainability/our-approach/feature-stories/</a><br/> <a href="http://www.sembcorp.com/en/sustainability/our-approach/stakeholder-engagement/">http://www.sembcorp.com/en/sustainability/our-approach/stakeholder-engagement/</a><br/> <a href="http://www.sembcorp.com/en/media/513859/stakeholder-engagement.pdf">http://www.sembcorp.com/en/media/513859/stakeholder-engagement.pdf</a></p>   |
| C.1.5 | The company's anti-corruption programmes and procedures?  | <p>Yes. The Company's Code of Business Conduct articulates the Company's stance on Corruption &amp; Bribery. The Company has also established a fraud risk management policy that provides a framework and comprehensive guidance on anti-fraud measures to pro-actively manage the risk of fraud, bribery and corruption.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, Governance, page 122-129<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/media/513850/sembcorp-code-of-business-conduct-english.pdf">http://www.sembcorp.com/en/media/513850/sembcorp-code-of-business-conduct-english.pdf</a></p>  |
| C.1.6 | How creditors' rights are safeguarded?  | <p>One of Sembcorp's Business Principles for Sustainable Growth is to build mutually beneficial partnerships based on our core value of Insight. As a vital partner to our suppliers and business partners, Sembcorp believes that any relationship should be mutually beneficial, and seeks to promote the application of Sembcorp Business Principles in all relationships.</p>   |
| C.1.7 | Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?                      | <p>Yes. The company has a sustainability Report since 2009 which covers our efforts on environmental/economy and social issues.</p> <p>Reference:<br/> <b>Annual Report 2016</b><br/> - ESG review, page 94-149<br/> - Economy, page 8-14, 62-91<br/> - Environmental: page 102-108<br/> - Social: page 109-121<br/> <b>Corporate Website:</b><br/> <a href="http://www.sembcorp.com/ar/ar2016/environment-social-governance/managing-sustainability.html">http://www.sembcorp.com/ar/ar2016/environment-social-governance/managing-sustainability.html</a><br/> <a href="http://www.sembcorp.com/ar/ar2016/chairman-and-ceo-statement.html">http://www.sembcorp.com/ar/ar2016/chairman-and-ceo-statement.html</a><br/> <a href="http://www.sembcorp.com/ar/ar2016/operating-financial-review/utilities-review.html">http://www.sembcorp.com/ar/ar2016/operating-financial-review/utilities-review.html</a><br/> <a href="http://www.sembcorp.com/ar/ar2016/operating-financial-review/marine-review.html">http://www.sembcorp.com/ar/ar2016/operating-financial-review/marine-review.html</a><br/> <a href="http://www.sembcorp.com/ar/ar2016/operating-financial-review/urban-development-review.html">http://www.sembcorp.com/ar/ar2016/operating-financial-review/urban-development-review.html</a></p> |

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| <b>C.2</b>                           | <b>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights</b>  |   |
| C.2.1                                | Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?  | <p>Yes. The contact details which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights can be found on the corporate website.</p> <p>Reference:<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/media/272299/whistle-blowing-policy.pdf">http://www.sembcorp.com/en/media/272299/whistle-blowing-policy.pdf</a></p>   |
| <b>C.3</b>                           | <b>Mechanisms for employee participation should be permitted to develop</b>  |   |
| C.3.1                                | Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?   | <p>Yes. The company's Health Safety and Environment policy can be found on the corporate website and information on Health, Safety and Environment practices and performance is published in the Annual Sustainability Report.</p> <p>Reference:<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/media/272298/hse-policy.pdf">http://www.sembcorp.com/en/media/272298/hse-policy.pdf</a><br/> <b>Annual Report 2016</b>, Sustainability Report, page 118</p>   |
| C.3.2                                | Does the company explicitly disclose the policies and practices on training and development programmes for its employees?  | <p>Employee development at Sembcorp is managed through the Sembcorp Leadership Framework, which comprises three components with distinct yet interrelated objectives to drive employee development. Workforce Planning supports organisational growth and ambition. The Core Competency component assesses employees' competencies and identifies capability gaps while setting performance expectations. Learning and Development programmes are then put in place to close the gaps identified. In 2016, as part of our Core Competency Framework, the Emergenetics assessment that enhances employees' self-awareness and encourages empathy among team members was rolled out to employees in China and India. 2016 also saw the launch of the Sembcorp Leaders Programme that aims to equip executives with the relevant competencies to support the growth of the company in an increasingly complex business environment. Details of employee training and development programmes can be found in the Sustainability Report.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, Sustainability Report, People Development, page 111-115</p> |
| C.3.3                                | Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?  | <p>Yes. Through its share-based incentives, Sembcorp motivates its key management personnel to continue to strive for the company's long-term shareholder value.</p> <p>Reference:<br/> <b>Annual Report 2016</b><br/> - Pay for Performance, page 142<br/> - Share-based Incentive Plan, page 274-283</p>  |
| <b>C.4</b>                           | <b>Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this</b> |   |
| C.4.1                                | Does the company have a whistle blowing policy which includes procedures for complaints  | <p>Yes, the company has a Whistle-blowing Policy, which is published on our corporate website. A whistle-blower who whistle-blow in good faith shall be protected against detrimental actions taken in reprisal such as discrimination, harassment, intimidation or victimisation. If it is determined that a whistle-blower experienced any reprisal which should not have occurred, the Audit Committee shall recommend appropriate remedial actions to be taken.</p> <p>Reference:<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/media/272299/whistle-blowing-policy.pdf">http://www.sembcorp.com/en/media/272299/whistle-blowing-policy.pdf</a><br/> <b>Annual Report 2016</b>, Whistle-blowing policy, page 145</p>   |
| C.4.2                                | Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?   |   |

## D. Disclosure and Transparency

### D.1 Transparent Ownership Structure

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|-------|---|---|
| D.1.1 | Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?  | Yes. Information is disclosed in our Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Shareholders' Information, page 346-347                            |
| D.1.2 | Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?  | Yes. Information is disclosed in our Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Shareholders' Information, page 346-347                            |
| D.1.3 | Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?  | Yes. Information is disclosed in our Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Directors' Statement, page 154-157                                 |
| D.1.4 | Does the company disclose the direct and indirect (deemed) shareholdings of senior management?  | Yes. Direct and indirect shareholdings of directors and Group President and CEO are disclosed.<br><br>Reference:<br><b>Annual Report 2016</b> , page 154 - 157          |
| D.1.5 | Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)? | Details of key subsidiaries, joint ventures and associates are disclosed in our Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , page 44-45, and 339-341 |

### D.2 Quality of Annual Report

#### Does the company's annual report disclose the following items:

|  |   |  |
|--|---|--|
| D.2.1  | Corporate Objectives  | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Sembcorp at a Glance, page 20-27   |
| D.2.2  | Financial Performance indicators  | Yes.<br><br>Reference:<br><b>Annual Report 2016</b><br>- Group Financial Review, page 46-61<br>- Utilities Review, page 63<br>- Marine Review, page 75<br>- Urban Development Review, page 85  |
| D.2.3  | Non-Financial Performance indicators  | Yes.<br><br>Reference:<br><b>Annual Report 2016</b><br>- Utilities Review, page 63<br>- Marine Review, page 75<br>- Urban Development Review, page 85<br>- Sustainability performance snapshot, page 95<br><b>Corporate website:</b> <a href="http://www.sembcorp.com/en/media/513877/2016-performance-data-and-commentary.pdf">http://www.sembcorp.com/en/media/513877/2016-performance-data-and-commentary.pdf</a> |
| D.2.4  | Dividend Policy   | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Dividend Policy, page 147<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/investor-relations/share-information/dividend-information">http://www.sembcorp.com/en/investor-relations/share-information/dividend-information</a>   |
| D.2.5  | Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners                      | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Biographical details of directors, page 30-35  |
| D.2.6  | Attendance details of each director/commissioner in all directors/commissioners meetings held during the year   | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Directors' Attendance at Board and Board Committee Meetings in 2016, page 135  |
| D.2.7  | Total remuneration of each member of the board of directors/commissioners   | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Supplementary Information, page 342  |
| <b>Corporate Governance Confirmation Statement</b> |   |  |
| D.2.8  | Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each of such issue? | Yes. This statement can be found in the Corporate Governance Statement in the Annual Report. In addition, the company has completed the Disclosure Guide and this can also be found in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b><br>- Corporate Governance Statement, page 130-149<br>- Governance Disclosure Guide, page 348-359  |

| ASEAN Corporate Governance Principle   |  | Sembcorp Industries' Disclosure and Reference 2016/17   |
|--|--|---|
| <b>D.3 Disclosure of Related Party Transactions (RPTs)</b>                                 |  |   |
| D.3.1  | Does the company disclose its policy covering the review and approval of material RPTs?  | Yes. This is disclosed under the Interested Person Transactions (IPT) Mandate, which shareholders' approval is sought annually.<br><br>Reference:<br><b>Letter to Shareholders</b> , IPT Mandate, page 16-24<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/media/504543/letter-to-shareholders.pdf">http://www.sembcorp.com/en/media/504543/letter-to-shareholders.pdf</a>   |
| D.3.2  | Does the company disclose the name, relationship, nature and value for each material RPTs?   | Yes. IPTs are disclosed with details as required under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST).<br><br>Reference:<br><b>Annual Report 2016</b> , page 344   |
| <b>D.4 Directors and Commissioners dealings in the shares of the company</b>               |  |   |
| D.4.1  | Does the company disclose trading in the company's shares by insiders?   | Yes. The change in the directors' and CEO's shareholdings in the company are disclosed and announced via Singapore Exchange (SGX) within two business days.   |
| <b>D.5 External Auditor and Auditor Report</b>   |  |   |
| <i>Where the same audit firm is engaged for both audit and non-audit services:</i>         |  |   |
| D.5.1  | Are the audit and non-audit fees disclosed?  | Yes. Audit and non-audit fees are disclosed.<br><br>Reference:<br><b>Annual Report 2016</b> , page 269  |
| D.5.2  | Does the non-audit fee exceed the audit fees?  | No. The non-audit fees do not exceed the audit fees.  |
| <b>D.6 Medium of Communications</b>  |  |   |
| <i>Does the company use the following modes of communication?</i>                          |  |   |
| D.6.1  | Quarterly Reporting  | Yes. The company utilises all of these modes of communication.  |
| D.6.2  | Company Website  | Reference:<br><b>Quarterly Reporting</b><br><a href="http://www.sembcorp.com/en/investor-relations/results-and-reports">http://www.sembcorp.com/en/investor-relations/results-and-reports</a>   |
| D.6.3  | Analyst's briefing   | Reference:<br><b>Company Website</b><br><a href="http://www.sembcorp.com/en/">http://www.sembcorp.com/en/</a><br><br><b>Analyst and Press Briefing</b><br>The results briefing is a combined press and analyst briefing and is webcasted live. The link to latest/upcoming results webcast is found at <a href="http://www.sembcorp.com/en/investor-relations">http://www.sembcorp.com/en/investor-relations</a> . Replays of quarterly briefing webcasts are available and can be found at <a href="http://www.sembcorp.com/en/investor-relations/results-and-reports">http://www.sembcorp.com/en/investor-relations/results-and-reports</a> |
| D.6.4  | Media briefings/press conferences  | Reference:<br><b>Media</b><br><a href="http://www.sembcorp.com/en/media/media-releases">http://www.sembcorp.com/en/media/media-releases</a>   |
| <b>D.7 Timely filing/release of annual/financial reports</b>                               |  |   |
| D.7.1  | Are the audited annual financial report/statement released within 120 days from the  | Yes. It was released on 28 March 2017, which is 87 days from the financial year end.  |
| D.7.2  | Is the annual report released within 120 days from the financial year end?   | Yes. It was released on 28 March 2017, which is 87 days from the financial year end.  |
| D.7.3  | Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company? | Yes.<br><br>Reference:<br><b>Annual Report 2016</b><br>- Directors' Statement, page 154<br>- Adequate and effective system of internal controls, page 144   |
| <b>D.8 Company Website</b>   |  |   |
| <i>Does the company have a website disclosing up-to-date information on the following:</i> |  |   |
| D.8.1  | Financial statements/reports (latest quarterly)  | Yes, up-to-date information on all these items are disclosed on our corporate website.<br><br>Reference:<br><b>Financial statements/reports</b><br><a href="http://www.sembcorp.com/en/investor-relations/results-and-reports/">http://www.sembcorp.com/en/investor-relations/results-and-reports/</a>  |
| D.8.2  | Materials provided in briefings to analysts and media  | Reference:<br><b>Materials provided in briefings to analysts and media</b><br><a href="http://www.sembcorp.com/en/investor-relations/results-and-reports/">http://www.sembcorp.com/en/investor-relations/results-and-reports/</a>   |
| D.8.3  | Downloadable Annual Report   | Reference:<br><b>Downloadable Annual Report</b><br><a href="http://www.sembcorp.com/en/investor-relations/results-and-reports/reports">http://www.sembcorp.com/en/investor-relations/results-and-reports/reports</a>  |
| D.8.4  | Notice of AGM and/or EGM   | Reference:<br><b>Notice of AGM and Letter to Shareholders</b><br><a href="http://www.sembcorp.com/en/investor-relations/annual-general-meeting/">http://www.sembcorp.com/en/investor-relations/annual-general-meeting/</a> (under Downloads & Links)  |
| D.8.5  | Minutes of AGM and/or EGM  | Minutes of shareholder meetings are available upon request by shareholders.   |
| D.8.6  | Company's constitution (company's by-laws, memorandum and articles of association)   | Yes, Sembcorp Industries' Constitution is available on our corporate website.<br><br>Reference:<br><b>Constitution of Sembcorp Industries</b><br><a href="http://www.sembcorp.com/en/media/73512/sci-constitution.pdf">http://www.sembcorp.com/en/media/73512/sci-constitution.pdf</a>  |
| <b>D.9 Investor Relations</b>  |  |   |
| D.9.1  | Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer/office responsible for investor relations?   | Yes. Contact details of the investor relations team are available on the corporate website -- under the "Investors" page as well as under "Contact Us".<br><br>Reference:<br><b>Corporate Website:</b><br><a href="http://www.sembcorp.com/en/investor-relations">http://www.sembcorp.com/en/investor-relations</a><br><a href="http://www.sembcorp.com/en/contactus/singapore">http://www.sembcorp.com/en/contactus/singapore</a>  |

## E. Responsibilities of the Board

### E.1 Board Duties and Responsibilities

#### Clearly defined board responsibilities and corporate governance policy

|                                 |  |   |
|---------------------------------|--|---|
| E.1.1                           | Does the company disclose its corporate governance policy/board charter?   | The Corporate Governance Statement can be found in the Annual Report and on the corporate website.  |
|                                 |  | <p>Reference:<br/> <b>Annual Report 2016</b>, Corporate Governance Statement, page 130-149<br/> <b>Corporate Website:</b> <a href="http://www.sembcorp.com/ar/ar2016/environment-social-governance/corporate-governance-statement.html">http://www.sembcorp.com/ar/ar2016/environment-social-governance/corporate-governance-statement.html</a></p>   |
| E.1.2                           | Are the types of decisions requiring board of directors/commissioners' approval disclosed?   | Yes. The types of decisions requiring the board of directors' approval are disclosed in the Annual Report under the Corporate Governance Statement and the Governance Disclosure Guide.   |
|                                 |  | <p>Reference:<br/> <b>Annual Report 2016</b><br/> - Board's Conduct of Affairs, page 130-131<br/> - Governance Disclosure Guide, Guideline 1.5, page 348</p>  |
| E.1.3                           | Are the roles and responsibilities of the board of directors/commissioners clearly stated?   | Yes. The role and responsibilities of the board and board committees are disclosed in the Annual Report.  |
|                                 |  | <p>Reference:<br/> <b>Annual Report 2016</b>, Corporate Governance Statement, Role of the Board, page 130-131</p>   |
| <i>Corporate Vision/Mission</i> |  |   |
| E.1.4                           | Does the company have an updated vision and mission statement?   | Our vision and mission statement is published in our Annual Report 2016.  |
|                                 |  | <p>Reference:<br/> <b>Corporate Website:</b><br/> <a href="http://www.sembcorp.com/en/about-sembcorp/mission-values">http://www.sembcorp.com/en/about-sembcorp/mission-values</a><br/> <a href="http://www.sembcorp.com/en/about-sembcorp/vision-strategy/">http://www.sembcorp.com/en/about-sembcorp/vision-strategy/</a></p> <p><b>Annual Report 2016</b>, Sembcorp at a Glance, page 20</p>  |
| E.1.5                           | Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually? | Yes. The board of directors play a leading role in the process of developing and reviewing the company's strategy annually.   |
|                                 |  | <p>The board meets on a quarterly basis to review and approve the release of the company's quarterly results, as well as to deliberate on key activities and business strategies, including significant acquisitions and disposals. At these board meetings, the Group President &amp; CEO updates the board on the development and prospects of the Group's businesses and each board committee provides a report on its activities.</p> <p>An additional board meeting is held at the end of each financial year to review the Group's strategy and to consider and approve the Group's budget for the following year.</p> <p>Ad-hoc board meetings may also be convened as necessary to consider other specific matters. At quarterly board meetings, time is set aside for the board to discuss management's performance. Members of management are not present at or privy to such discussions.</p> <p>Annually, a strategic review meeting is organised for the board to have in-depth discussions with management on the Group's strategy and other key issues. In 2016, this off-site meeting was held in November.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, Meetings and Attendance, page 132</p> |
| E.1.6                           | Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?              | Yes. The board of directors, through the process outlined in the relevant section below, review and monitor the implementation of the corporate strategy.   |
|                                 |  | <p>The board meets on a quarterly basis to review and approve the release of the company's quarterly results, as well as to deliberate on key activities and business strategies, including significant acquisitions and disposals.</p> <p>At these board meetings, the Group President &amp; CEO updates the board on the development and prospects of the Group's businesses and each board committee provides a report on its activities. An additional board meeting is held at the end of each financial year to review the Group's strategy and to consider and approve the Group's budget for the following year.</p> <p>Ad-hoc board meetings may also be convened as necessary to consider other specific matters. At quarterly board meetings, time is set aside for the board to discuss management's performance. Members of management are not present at or privy to such discussions. Annually, a strategic review meeting is organised for the board to have in-depth discussions with management on the Group's strategy and other key issues. In 2016, this off-site meeting was held in November.</p> <p>Reference:<br/> <b>Annual Report 2016</b>, Meetings and Attendance, page 132</p>        |

| ASEAN Corporate Governance Principle     |   | Sembcorp Industries' Disclosure and Reference 2016/17   |
|--|---|---|
| <b>E.2 Board Structure</b>               |   |   |
| <i>Code of Ethics or Conduct</i>         |   |   |
| E.2.1                                    | Are the details of the code of ethics or conduct disclosed?   | Yes. The Code of Business Conduct which can be found on the corporate website, requires all employees of the Group to comply with the Code.   |
| E.2.2                                    | Are all directors/commissioners, senior management and employees required to comply   | The Code of Business Conduct (CBC) which can be found on the corporate website, requires all employees of the Group to comply with the Code. Suppliers and contractors who work with Sembcorp are expected to respect and follow the CBC as well.   |
| E.2.3                                    | Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?   | <p>The Code of Business Conduct (CBC) which can be found on the corporate website, requires all employees of the Group to comply with the Code. Suppliers and contractors who work with Sembcorp are expected to respect and follow the CBC as well.</p> <p><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/media/513850/sembcorp-code-of-business-conduct-english.pdf">http://www.sembcorp.com/en/media/513850/sembcorp-code-of-business-conduct-english.pdf</a></p> <p>Requirements of the CBC are communicated to employees globally through an e-learning course delivered in multiple languages. Classroom trainings are conducted for employees who do not have internet access. Employees are required to complete an annual declaration to acknowledge that they have read and understood the principles and requirements of the Code of Conduct and agree to comply with its principles and requirements and to promptly report any violation through available reporting channels.</p> <p>The CBC also provides for escalation procedures in the event of a breach of the CBC as well as feedback channels for employee clarification and queries.</p> <p>In addition, implementation and monitoring of compliance with code of conduct is also disclosed under the following sections in the respective pages as indicated below:</p> <ol style="list-style-type: none"> <li>1. Whistle-blowing policy</li> <li>2. Dealings in securities</li> <li>3. Interested person transactions</li> </ol> <p>Reference:<br/> <b>Annual Report 2016</b><br/> - Corporate Governance Statement, page 145 and 148<br/> - ESG Review, page 128</p> |
| <b>Board Structure &amp; Composition</b> |   |   |
| E.2.4                                    | Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?  | Yes. 8 out of 11 directors in the board are independent, non-executive directors.   |
|  |   | Reference:<br><b>Annual Report 2016</b> , Board Members for 2016, page 134  |
| E.2.5                                    | Does the company have a term limit of nine years or less or 2 terms of five years <sup>1</sup> each for its independent directors/commissioners?    | Yes. A term limit of nine years is set for independent directors of the Group. Should the board decide to retain any director beyond this nine-year term, it will rigorously review the independence of that director and determine if he/she should continue to be regarded as an independent director.  |
|  | <sup>1</sup> The five years term must be required by legislation which pre-existed the introduction of ASEAN Corporate Governance Scorecard in 2011 | Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Review of directors' independence, page 134   |
| E.2.6                                    | Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?         | The Board has determined that the maximum number of listed company board representations held by a director should not exceed six.  |
|  |   | Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Review of directors' time commitments, page 137   |
| E.2.7                                    | Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?                           | No. In 2016, Mr Tang Kin Fei is the only executive director. He did not sit in more than 2 boards of listed companies in Singapore.   |
|  |   | Reference:<br><b>Annual Report 2016</b> , Board of Directors Profile, page 30   |
| <b>Nomination Committee (NC)</b>         |   |   |
| E.2.8                                    | Does the company have a Nominating Committee?   | Yes. The NC is chaired by Mr Ang Kong Hua, Chairman of the board of directors.  |
|  |   | Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Nominating Committee, page 136  |
| E.2.9                                    | Is the Nominating Committee comprised of a majority of independent directors/commissioners?   | Yes. Three out of the four directors are independent directors.   |
| E.2.10                                   | Is the chairman of the Nominating Committee an independent director/commissioner?   | Yes. The Chairman, Mr Ang Kong Hua is an independent director.  |
| E.2.11                                   | Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?  | The terms of reference of the NC can be found in the Corporate Governance Statement in the Annual Report, page 136.   |
| E.2.12                                   | Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?        | Yes. 3 meetings were held in 2016. All members of the Nominating Committee attended the 3 meetings held.  |
|  |   | Reference:<br><b>Annual Report 2016</b> , Meetings and Attendance, page 135   |

| ASEAN Corporate Governance Principle                      |   | Sembcorp Industries' Disclosure and Reference 2016/17   |
|---|---|---|
| <b>Remuneration Committee (RC)/Compensation Committee</b> |   |   |
| E.2.13  | Does the company have a Remuneration Committee?   | Yes to all. The Executive Resource and Compensation Committee (ERCC) is chaired by Mr Ang Kong Hua, an independent non-executive director. Including Mr Ang, the ERCC comprises 4 directors, of whom 3 are independent. The ERCC meets at least twice a year and in 2016, it had five meetings, with all committee members in attendance. The terms of reference of the ERCC can be found in the Corporate Governance Statement in the Annual Report, along with the directors' attendance at board and board committee meetings in 2016. |
| E.2.14  | Is the Remuneration Committee comprised of a majority of independent  |   |
| E.2.15  | Is the chairman of the Remuneration Committee an independent director/commissioner?   |   |
| E.2.16  | Does the company disclose the terms of reference/governance structure/ charter of the Remuneration Committee?                                     |   |
| E.2.17  | Is the meeting attendance of the Remuneration Committee disclosed and if so, did the Remuneration Committee meet at least twice during the year?  | Reference:<br><b>Annual Report 2016</b><br>Term of reference:<br>- Corporate Governance Statement, Remuneration Matters, page 139-140<br>Director's attendance<br>- Directors' Attendance at Board and Board Committee Meetings in 2016, page 135   |
| <b>Audit Committee (AC)</b>                               |   |   |
| E.2.18  | Does the company have an Audit Committee?   | Yes to all. In 2016, the Audit Committee (AC) is chaired by Mr Bobby Chin, a non-executive/independent director.  |
| E.2.19  | Is the Audit Committee comprised entirely of non-executive directors/commissioners with a   | He is an associate member of the Institute of Chartered Accountants in England and Wales and was the managing partner of KPMG Singapore for 13 years until his retirement in 2005. Including Mr Chin, the AC comprised of 5 non-executive/independent directors. The AC meets at least four times a year, and in 2016, it met seven times.  |
| E.2.20  | Is the chairman of the Audit Committee an independent director/commissioner?  | The terms of reference of the AC can be found in the Corporate Governance Statement in the Annual Report, along with the directors' attendance at board and board committee meetings in 2016. Profiles of Sembcorp's directors, including AC committee members are also disclosed in the Annual Report.   |
| E.2.21  | Does the company disclose the terms of reference/governance structure/charter of the  |   |
| E.2.22  | Does at least one of the independent directors/commissioners of the committee have  |   |
| E.2.23  | Is the meeting attendance of the Audit Committee disclosed and if so, did the Audit Committee meet at least four times during the year?           | Reference:<br><b>Annual Report 2016</b><br>- Corporate Governance Statement, Audit Committee and Internal Audit, page 144-146<br>- Directors' Attendance at Board and Board Committee Meetings in 2016, page 135<br>- Board of Directors, page 28-35  |
| E.2.24  | Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?                  | Yes. The Audit Committee reviews the independence of the company's external auditors and makes recommendations to the board on their appointment.<br><br>Reference:<br><b>Annual Report 2016</b> , External Auditors, page 145  |
| <b>E.3 Board Processes</b>                                |   |   |
| <b>Board Meetings and Attendance</b>                      |   |   |
| E.3.1   | Are the board of directors meeting scheduled before the start of the financial year?  | Yes. Board and board committee meetings, as well as AGM of the company are scheduled in consultation with the directors before the start of the financial year.<br><br>Reference:<br><b>Annual Report 2016</b> , Meetings and Attendance, page 132  |
| E.3.2   | Does the board of directors/commissioners meet at least six times during the year?  | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Directors' Attendance at Board and Board Committee Meetings in 2016, page 135   |
| E.3.3   | Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?                                     | Yes. The directors' attendance at board and board committees are reported in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Directors' Attendance at Board and Board Committee Meetings in 2016, page 135  |
| E.3.4   | Does the company require a minimum quorum of at least 2/3 for board decisions?  | The requirement under the Companies Act and Company's Constitution is by a majority. Nevertheless, all board resolutions have been passed with a quorum of at least 2/3.  |
| E.3.5   | Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?        | The board sets aside time at each scheduled board meeting to discuss the management's performance. Members of management are not present at or privy to such discussions.   |
| <b>Access to Information</b>                              |   |   |
| E.3.6   | Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting? | Yes. As a general rule, board and board committee papers are made available to directors a week prior to meetings.<br><br>Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Access to Information, page 138.  |
| E.3.7   | Does the company secretary play a significant role in supporting the board in discharging its responsibilities?                                   | Yes. The roles and responsibilities of the Company Secretary are disclosed in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Company Secretary, page 138-139<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/about-sembcorp/leadership/board-of-directors/">http://www.sembcorp.com/en/about-sembcorp/leadership/board-of-directors/</a>  |
| E.3.8   | Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?            | Yes. The Company Secretary is a qualified chartered secretary with more than 25 years of experience in company secretarial matters.<br><br>Reference:<br><b>Corporate Website:</b> <a href="http://www.sembcorp.com/en/about-sembcorp/leadership/board-of-directors/">http://www.sembcorp.com/en/about-sembcorp/leadership/board-of-directors/</a>  |
| <b>Board Appointment and Re-Election</b>                  |   |   |
| E.3.9   | Does the company disclose the criteria used in selecting new directors/commissioners?   | Yes. The selection criteria are disclosed in the annual report.   |

| ASEAN Corporate Governance Principle |  | Sembcorp Industries' Disclosure and Reference 2016/17   |
|--------------------------------------|--|---|
| E.3.10                               | Did the company describe the process followed in appointing new directors/commissioners?   | Yes. The process of appointment for new directors is disclosed in the annual report.<br><br>Reference:<br><b>Annual Report 2016</b> , Succession Planning, Appointment and Re-appointment of Directors, page 136-137  |
| E.3.11                               | Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 year <sup>2</sup> each?<br>2The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011 | Yes. The Company's Constitution requires a third of its directors to retire and subject themselves for re-election by shareholders at every AGM (one-third rotation rule).<br><br>Reference:<br><b>Annual Report 2016</b> , Succession Planning, Appointment and Re-appointment of Directors, page 136-137  |
| <b>Remuneration Matters</b>          |  |   |
| E.3.12                               | Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?   | Yes. Details of the Group President and CEO's remuneration structure are disclosed.<br><br>Reference:<br><b>Annual Report 2016</b> , Remuneration for Key Management Personnel, pages 140 to 142 and page 342   |
| E.3.13                               | Is there disclosure of the fee structure for non-executive directors/commissioners?  | Yes. The Directors' fee framework is disclosed in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Directors' Fee Framework for FY2016, page 140   |
| E.3.14                               | Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?  | Yes. With the assistance of the Executive Resource & Compensation Committee, the board ensures that a formal policy and transparent procedure for determining remuneration of executives and directors are in place.<br><br>Reference:<br><b>Annual Report 2016</b> , page 139  |
| E.3.15                               | Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses?   | Yes. Key management personnel's annual variable bonus is linked to the creation of economic value added (EVA) and is designed to ensure alignment with sustainable value creation for the shareholders over the longer term. An EVA linked "bonus bank" is created for each executive. Typically, one-third of the bonus bank balance is paid out in cash each year, while the remaining two-thirds is carried forward to the following year. Such carried-forward balances of the bonus bank may either be reduced or increased in future, based on the yearly EVA performance of the Group and its subsidiaries. There are provisions in the EVA incentive plan to allow for forfeiture of the outstanding balances in the bonus bank in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the company.<br><br>Reference:<br><b>Annual Report 2016</b> , page 141-142 |
| <b>Internal Audit</b>                |  |   |
| E.3.16                               | Does the company have a separate internal audit function?  | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Internal Audit, page 146  |
| E.3.17                               | Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?  | Yes, in-house. The name of the head of Group Internal Audit, Mr David Wong, is disclosed in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Senior Executives, page 40  |
| E.3.18                               | Does the appointment and removal of the internal auditor require the approval of the Audit Committee?  | Yes. The Audit Committee approves the hiring, termination, evaluation and compensation of the Head of Group Internal Audit, who reports directly to the Audit Committee on audit matters and to the Group President & CEO on administrative matters.<br><br>Reference:<br><b>Annual Report 2016</b> , Internal Audit, page 146  |
| <b>Risk Oversight</b>                |  |   |
| E.3.19                               | Does the company establish a sound internal control procedure/risk management framework and periodically review the effectiveness of that framework?   | Yes, we have in place an established Enterprise Risk Management Framework and Governance Assurance Framework that details our risk management and internal controls process and procedures.<br><br>Reference:<br><b>Annual Report 2016</b><br>- Enterprise Risk Management Framework, page 126<br>- Governance Assurance Framework, page 123-124  |
| E.3.20                               | Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?   | Yes our annual report CG statement (principle 11) discloses that the board of directors has conducted a review of the company's material controls and risk management systems.<br><br>Reference:<br><b>Annual Report 2016</b> , pages 143-144   |
| E.3.21                               | Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?   | Yes. The management of key risks including operational, fraud, financial, market and credit as well as investment risk are disclosed in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Risk Management and Internal Controls, page 126-127   |
| E.3.22                               | Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?  | Yes. Our Corporate Governance statement (principle 11) in the Annual Report contains a statement from the Board of Directors and the Audit Committee commenting on the adequacy of the company's internal controls/risk management system.<br><br>Reference:<br><b>Annual Report 2016</b> Pages 143-144   |

| ASEAN Corporate Governance Principle |   | Sembcorp Industries' Disclosure and Reference 2016/17  |
|--------------------------------------|---|--|
| <b>E.4 People on the Board</b>       |   |  |
| <i>Board Chairman</i>                |   |  |
| E.4.1                                | Do different persons assume the roles of Chairman and CEO?  | Yes. The Chairman and the Group President & CEO are not related to each other. Their roles are kept separate to ensure a clear division of responsibilities, increased accountability and a greater capacity of the board for independent decision-making.<br><br>Reference:<br><b>Annual Report 2016</b> , Chairman and Chief Executive Officer, page 136 |
| E.4.2                                | Is the chairman an independent director/commissioner?   | Yes. The Chairman is an Independent Director.  |
| E.4.3                                | Is any of the directors a former CEO of the company in the past 2 years?  | None of the directors is a former CEO of the company in the past 2 years.  |
| E.4.4                                | Are the roles and responsibilities of the Chairman disclosed?   | Yes. The role and responsibilities of the Chairman are disclosed.<br><br>Reference:<br><b>Annual Report 2016</b> , Chairman and Chief Executive Officer, page 136  |
| <i>Lead Independent Director</i>     |   |  |
| E.4.5                                | If the Chairman is not independent, has the Board appointed a Lead/Senior Independent   | The Chairman is an Independent Director.   |
| <i>Skills and Competencies</i>       |   |  |
| E.4.6                                | Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in? | Yes. Prior work experience of independent directors are disclosed in the Annual Report.<br><br>Reference:<br><b>Annual Report 2016</b> , Board of Directors, page 30-35  |

| ASEAN Corporate Governance Principle                         | Sembcorp Industries' Disclosure and Reference 2016/17   |  |
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| E.5 Board Performance  |   |  |
| <i>Directors Development</i>                                 |   |  |
| E.5.1  | Does the company have orientation programmes for new directors/commissioners?   | Yes. Details of board orientation and training are disclosed in the Corporate Governance Statement.<br><br>Reference:<br><b>Annual Report 2016</b> , Corporate Governance Statement, Board Orientation and Training, page 132-133  |
| E.5.2  | Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?                            | As part of training and professional development for the board, the company ensures that directors are briefed from time to time on changes to regulations, guidelines and accounting standards, as well as other relevant trends or issues. These are conducted either during board meetings, at board dinners or at specially convened sessions, including training sessions and seminars conducted by external professionals.<br><br>Reference:<br><b>Annual Report 2016</b> , Board Orientation and Training, page 132-133 |
| <i>CEO/Executive Management Appointments and Performance</i> |   |  |
| E.5.3  | Does the company disclose the process on how the board of directors/commissioners plan for the succession of the CEO/Managing Director/President and key management?  | Yes. The Executive Resource & Compensation Committee, on an annual basis, conducts a succession planning review of the Group President & CEO, officers reporting directly to him, as well as other selected key positions in the company.<br><br>Reference:<br><b>Annual Report 2016</b> , Executive Resource & Compensation Committee, page 140   |
| E.5.4  | Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?  | Yes. A pay-for-performance study is conducted annually to review the alignment between the Group President & CEO's total compensation, shareholder returns and business returns. In deciding the annual variable bonus for the Group President and CEO, the board of directors reviews the achievement of pre-agreed financial and non-financial targets set for the incumbent on an annual basis.<br><br>Reference:<br><b>Annual Report 2016</b> , Remuneration for Key Management Personnel, page 141-142                    |
| <i>Board Appraisal</i>                                       |   |  |
| E.5.5  | Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?   | Yes. Each year, in consultation with the Nominating Committee, the board assesses its performance to identify key areas for improvement and requisite follow-up actions.<br><br>Reference:<br><b>Annual Report 2016</b> , Board Evaluation Process and Performance Criteria, page 138  |
| <i>Director Appraisal</i>                                    |   |  |
| E.5.6  | Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment? | Yes. Each director is required to complete a questionnaire on the effectiveness of the board, board committees and directors' contribution and performance.<br><br>Reference:<br><b>Annual Report 2016</b><br>- Board Evaluation Process and Performance Criteria, page 138<br>- Role of the Board, page 130-131   |
| <i>Committee Appraisal</i>                                   |   |  |
| E.5.7  | Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?                   | Yes.<br><br>Reference:<br><b>Annual Report 2016</b> , Board Evaluation Process and Performance Criteria, page 138  |

**BONUS****(B)A. RIGHTS OF SHAREHOLDERS****(B)A.1 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting**

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|--|--|
| (B)A.1.1 Does the company practice secure electronic voting in absentia at the general meetings of shareholders? | <p>For shareholders who are not able to attend the general meetings, the Company's Constitution allows all shareholders the right to appoint up to two proxies, or appoint the Chairman of the general meetings as a proxy, to attend, speak and vote on their behalf.</p> <p>Under the new multiple proxy regime, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board (CPF), are allowed to appoint more than two proxies to participate at general meetings.</p> <p>Voting by absentia by mail, facsimile or email is currently not permitted as such voting methods would need to be cautiously evaluated for feasibility to ensure that there is no compromise to the integrity of the information and the authenticity of the shareholder's identity.</p> <p>Reference:<br/> <b>Annual Report 2016</b><br/>           -Conduct of Shareholder Meetings, page 147-148<br/>           -Proxy Form for the 19th AGM, last page of the annual report</p> |
|--|--|

**(B)B. EQUITABLE TREATMENT OF SHAREHOLDERS****(B)B.1 Notice of AGM**

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|---|--|
| (B)B.1.1 Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting? | <p>In 2017, the Notice of AGM was issued on 28 March 2017, 21 days before the AGM.</p> <p>Reference:<br/> <b>Notice of AGM: 28 March 2017</b><br/> <b>Date of AGM: 19 April 2017</b></p> |
|---|--|

**(B)C. ROLE OF STAKEHOLDERS****(B)C.1**

|  |   |
|--|---|
| (B)C.1.1 Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)? | <p>Yes. Our ESG review is prepared in accordance with the GRI G4: core option, guided by the SGX Sustainability Reporting Guide as well as the Ten Principles of the United Nations Global Compact</p> <p>Reference:<br/> <b>Annual Report 2016, ESG Review, Data Measurement and quality, page 98</b><br/> <b>Corporate Website: <a href="http://www.sembcorp.com/en/sustainability/our-approach/how-we-report">http://www.sembcorp.com/en/sustainability/our-approach/how-we-report</a></b></p> |
|--|---|

**(B)D. DISCLOSURE AND TRANSPARENCY****(B)D.1**

|   |   |
|---|---|
| (B)D.1.1 Are the audited annual financial report/statement released within 60 days from the financial year end? | <p>The financial statement for financial year ending 31 Dec 2016 was released on 22 Feb 2017. The audited annual financial report/ statement for FY 2016 was released on 28 March 2017.</p>             |
| (B)D.1.2 Does the company disclose details of remuneration of the CEO?  | <p>Yes. Details of the Group President and CEO's remuneration are disclosed.</p> <p>Reference:<br/> <b>Annual Report 2016, Remuneration for Key Management Personnel, page 141-142 and page 342</b></p> |

**(B)E. RESPONSIBILITIES OF THE BOARD****(B)E.1 Board Competencies and Diversity**

|   |   |
|---|---|
| (B)E.1.1 Does the company have at least one female independent director/commissioner?   | <p>The company has a female non-executive and non-independent director.</p> <p>Reference:<br/> <b>Annual Report 2016, Board of Directors Profile, page 31</b></p>   |
| (B)E.1.2 Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives? | <p>Yes. Composition of the board committees is structured to ensure an equitable distribution of responsibilities among board members, maximise the effectiveness of the board and foster active participation and contribution. Diversity of experience and appropriate skills are considered along with the need to maintain appropriate checks and balances.</p> <p>Reference:<br/> <b>Annual Report 2016, Role of the Board, page 130</b></p> |

**(B)E.2 Board Structure**

|   |   |
|---|---|
| (B)E.2.1 Is the Nominating Committee comprised entirely of independent directors/commissioners?   | <p>Three out of the four directors are independent directors.</p>   |
| (B)E.2.2 Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions? | <p>Yes. Process of appointment for new directors are disclosed in the Annual Report.</p> <p>Reference:<br/> <b>Annual Report 2016, Succession Planning, Appointment and Re-appointment of Directors, page 136-137</b></p> |

**(B)E.3 Board Appointments and Re-Election**

|  |   |
|--|---|
| (B)E.3.1 Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners? | <p>The NC goes through external databases where appropriate, to identify competent and suitable candidates. The NC also consults with management and identifies a list of candidates sourced through an extensive network of contacts.</p> <p>Reference:<br/> <b>Annual Report 2016, Succession Planning, Appointment and Re-appointment of Directors, page 137</b></p> |
|--|---|

**(B)E.4 Board Appointments and Re-Election**

|  |   |
|--|---|
| (B)E.4.1 Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman? | <p>Yes. Eight out of 11 directors in the board are independent, non-executive directors.</p> <p>Reference:<br/> <b>Annual Report 2016, Board Members for 2016, page 134</b></p> |
|--|---|

| ASEAN Corporate Governance Principle  | Sembcorp Industries' Disclosure and Reference 2016/17   |
|---|---|
| <b>(B)E.5 Risk Oversight</b>  |   |
| (B)E.5.1 Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board? | <p>We have in place the following governance policies and frameworks:</p> <ol style="list-style-type: none"> <li>1) Group Business Continuity Policy</li> <li>2) Group Crisis Management and Emergency Response Framework</li> <li>3) Disaster Recovery Plan</li> </ol> <p>Reference:<br/> <b>Annual Report 2016</b>, ESG Review, Operational Risk Management, page 127</p> |
| <b>(B)E.6 Board Performance</b>   |   |
| (B)E.6.1 Does the company have a separate board level Risk Committee?   | Yes the company has a separate Board Risk Committee (BRC).  |

**PENALTY****(P)A. RIGHTS OF SHAREHOLDERS****(P)A.1 Basic Shareholder Rights**

|          |   |  |
|----------|---|--|
| (P)A.1.1 | Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders? | No. Each year, the Company seeks the shareholders' approval on the Share Purchase Mandate at its Annual General Meeting.<br><br>Reference:<br>- <b>Notice of AGM</b> dated 28 March 2017, Resolution 12 (Annual Report 2016, page 361-369)<br>- <b>Letter to Shareholders</b> dated 28 March 2017<br><a href="http://www.sembcorp.com/en/media/504543/letter-to-shareholders.pdf">http://www.sembcorp.com/en/media/504543/letter-to-shareholders.pdf</a> |
|----------|---|--|

**(P)A.2 Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.**

|          |   |     |
|----------|---|-----|
| (P)A.2.1 | Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders? | No. |
|----------|---|-----|

**(P)A.3 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting**

|          |  |     |
|----------|--|-----|
| (P)A.3.1 | Did the company include any additional and unannounced agenda item into the notice of AGM/EGM? | No. |
|----------|--|-----|

|          |   |   |
|----------|---|---|
| (P)A.3.2 | Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM? | Yes. Chairman, AC Chairman and CEO attended the AGM on 19 April 2017. Attendance of the board members at the AGM can be found on our website. |
|----------|---|---|

Reference:  
**Corporate Website:** <http://www.sembcorp.com/en/investor-relations/annual-general-meeting/>

**(P)A.4 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed**

|          |                         |  |
|----------|-------------------------|--|
| (P)A.4.1 | Shareholders Agreement? | Not applicable. Sembcorp Industries has only one class of shares – ordinary shares with equal voting rights. |
|----------|-------------------------|--|

|          |             |  |
|----------|-------------|--|
| (P)A.4.2 | Voting Cap? |  |
|----------|-------------|--|

|          |                         |  |
|----------|-------------------------|--|
| (P)A.4.3 | Multiple Voting Rights? | Reference:<br><b>Constitution of Sembcorp Industries</b> , Article 68<br><a href="http://www.sembcorp.com/en/media/73512/sci-constitution.pdf">http://www.sembcorp.com/en/media/73512/sci-constitution.pdf</a> |
|----------|-------------------------|--|

**(P)A.5 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed**

|          |   |  |
|----------|---|--|
| (P)A.5.1 | Is a pyramid ownership structure and/or cross holding structure apparent? | Not applicable. Sembcorp Industries has only one class of shares – ordinary shares with equal voting rights. |
|----------|---|--|

Reference:  
**Constitution of Sembcorp Industries**, Article 68  
<http://www.sembcorp.com/en/media/73512/sci-constitution.pdf>

**(P)B. EQUITABLE TREATMENT OF SHAREHOLDERS****(P)B.1 Insider trading and abusive self-dealing should be prohibited**

|          |   |     |
|----------|---|-----|
| (P)B.1.1 | Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years? | No. |
|----------|---|-----|

**(P)B.2 Protecting minority shareholders from abusive action**

|          |  |     |
|----------|--|-----|
| (P)B.2.1 | Has there been any cases of non-compliance with the laws, rules and regulations pertaining | No. |
|----------|--|-----|

|          |   |     |
|----------|---|-----|
| (P)B.2.2 | Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies? | No. |
|----------|---|-----|

Reference:  
**Annual Report 2016**, Related party transactions, note to account 35a, page 294

**(P)C. ROLE OF STAKEHOLDERS****(P)C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected**

|          |  |   |
|----------|--|---|
| (P)C.1.1 | Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues? | In 2016, 3 significant fines amounting to S\$260,000 were incurred by our operations in Chile and China. One of our water treatment plants in Chile paid a total penalty of S\$156,000 for failure to provide continuous water supply and meet the required water pressure level on two occasions. New wells have been constructed and enhancements have been made to improve the capacity and water pressure. A water treatment plant in China was also fined S\$104,000 when samples tested by the Environment Protection Bureau exceeded the chemical oxygen demand limit as a result of different laboratory testing methodologies. We have taken action to prevent recurrence of this incident. There was no legal action initiated during the year in connection with anti-competitive behaviour, anti-trust or monopoly practices. |
|----------|--|---|

Reference:  
**Annual Report 2016**, ESG Review, page 129

**(P)C.2 Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis**

|          |   |     |
|----------|---|-----|
| (P)C.2.1 | Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events? | No. |
|----------|---|-----|

| ASEAN Corporate Governance Principle  | Sembcorp Industries' Disclosure and Reference 2016/17   |
|---|---|
| <b>(P)D. DISCLOSURE AND TRANSPARENCY</b>  |   |
| <b>(P)D.1 Sanctions from regulator on financial reports</b>   |   |
| (P)D.1.1 Did the company receive a "qualified opinion" in its external audit report?  | No.   |
| (P)D.1.2 Did the company receive an "adverse opinion" in its external audit report?   |   |
| (P)D.1.3 Did the company receive a "disclaimer opinion" in its external audit report?   | Reference:<br><b>Annual Report 2016</b> , Independent Auditors' Report, page 169  |
| (P)D.1.4 Has the company in the past year revised its financial statements for reasons other than   | No.   |
| <b>(P)E. RESPONSIBILITIES OF THE BOARD</b>  |   |
| <b>(P)E.1 Compliance with listing rules, regulations and applicable laws</b>  |   |
| (P)E.1.1 Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?   | No.   |
| (P)E.1.2 Have there been any instances where non-executive directors/commissioners have resigned and raised any issues of governance-related concerns?  | No.   |
| <b>(P)E.2 Board Structure</b>   |   |
| (P)E.2.1 Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years <sup>1</sup> each (which ever is higher) in the same capacity? | No.   |
| <small><sup>1</sup> The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011</small>                             |   |
| (P)E.2.2 Did the company fail to identify who are the independent director(s)/commissioner(s)?  | No.   |
| (P)E.2.3 Does the company have any independent directors/non-executive/commissioners who served on a total of more than five boards of publicly-listed companies?   | No.   |
| <b>(P)E.3 External Audit</b>  |   |
| (P)E.3.1 Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?   | No.   |
| <b>(P)E.4 Board Structure and Composition</b>   |   |
| (P)E.4.1 Has the chairman been the company CEO in the last three years?   | No.   |
| (P)E.4.2 Do independent non-executive directors/commissioners receive options, performance shares or bonuses?   | Yes. Up to 30% of directors' fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards.<br><br>Reference:<br><b>Annual Report 2016</b> , Non-Executive Directors' Fees, page 141 |