

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Sembcorp Marine Ltd (“Sembcorp Marine” or the “Company”, and together with its subsidiaries, the “Group”) believes that good corporate governance supports long-term shareholder value.

This report sets out the Group’s corporate governance practices with reference to the Singapore Code of Corporate Governance 2018 (the “Code”). The board of directors of Sembcorp Marine (the “Board”) is pleased to confirm that the Group has complied with the principles and provisions of the Code. A summary of compliance disclosures with the Code is set out on page 67 of the Annual Report 2021.

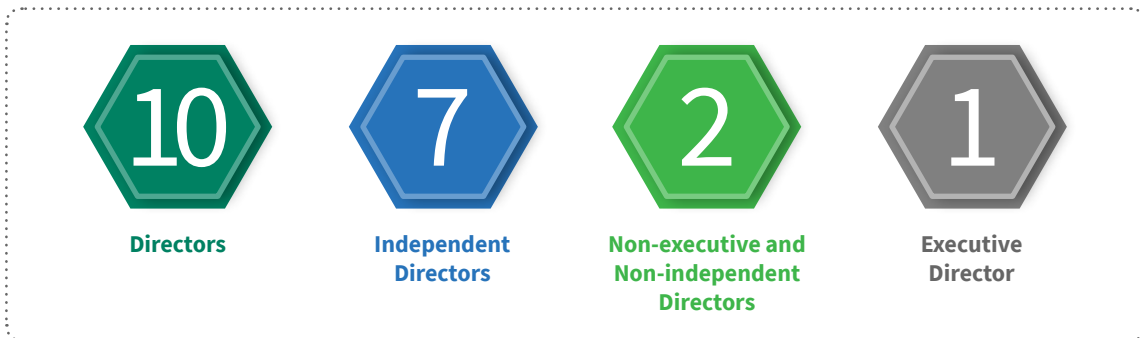
Code of Business Conduct and Practice

To strive for the highest standards of corporate performance and accountability, we have embedded corporate governance principles into our culture. This culture is in turn anchored on effective leadership, robust internal controls and a set of core values.

Sembcorp Marine has a guidebook on the Code of Business Conduct and Practice (the “Guidebook”) that all employees are required to observe and be guided by. The Guidebook sets out the Group’s core values and requirements on conducting business with integrity, handling employees and community with fairness, protection of the Group’s assets, dealing with conflicts of interest and protection of information. The Guidebook guides employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with Sembcorp Marine, its competitors, customers, suppliers and communities. The Guidebook covers, *inter alia*, bribery and corruption, gifts and entertainment, fairness and opportunities, harassment, conflicts of interest, protection of assets and proprietary information, and data protection. The Guidebook is available on the Company’s corporate website.

Sembcorp Marine Corporate Governance Framework

BOARD OF DIRECTORS



Chairman’s Responsibilities

- Lead the Board to ensure effectiveness on all aspects of its role
- Promote a culture of openness and debate in the Board
- Encourage constructive relations within the Board and between the Board and Management
- Facilitate effective contributions of Non-executive Directors



Director’s Responsibilities

- Set values, mission and vision statements
- Provide guidance to Management
- Set strategic objectives
- Review Management’s performance
- Establish a framework of prudent and effective internal controls
- Consider sustainability issues

Key responsibilities under the respective terms of reference of each Board committee are as follows:

<p>EXECUTIVE COMMITTEE</p> <p>4 Independent Directors 1 Non-executive and Non-independent Director 1 Executive Director</p> <p>Key Responsibilities</p> <ul style="list-style-type: none"> Assist the Board in reviewing and approving matters as required under the Group's policies 	<p>AUDIT COMMITTEE</p> <p>3 Independent Directors 1 Non-executive and Non-independent Director</p> <p>Key Responsibilities</p> <ul style="list-style-type: none"> Assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, and business and financial risk management 	<p>BOARD RISK COMMITTEE</p> <p>4 Independent Directors</p> <p>Key Responsibilities</p> <ul style="list-style-type: none"> Assist the Board in ensuring that Management maintain a sound system of risk management and internal controls to safeguard shareholders' interests as well as the Group's assets Determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives
<p>NOMINATING COMMITTEE</p> <p>2 Independent Directors 1 Non-executive and Non-independent Director</p> <p>Key Responsibilities</p> <ul style="list-style-type: none"> Assist the Board in evaluating the performance of the Board, its committees and directors Review the profile and independence of directors Make recommendations on directors' appointments, re-nominations and retirements 	<p>EXECUTIVE RESOURCE & COMPENSATION COMMITTEE</p> <p>3 Independent Directors 1 Non-executive and Non-independent Director</p> <p>Key Responsibilities</p> <ul style="list-style-type: none"> Assist the Board in overseeing the remuneration of the Board and senior management Set appropriate remuneration framework and policies (including long-term incentive schemes) to deliver annual and long-term performance of the Group 	<p>SPECIAL COMMITTEE</p> <p>2 Independent Directors 2 Non-executive and Non-independent Directors</p> <p>Key Responsibilities</p> <ul style="list-style-type: none"> Assist the Board in conducting internal investigations into allegations of improper payments in Brazil and deal with issues arising from the matter

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board aims to create value for shareholders and ensure the Group's long-term success by focusing on the right business strategies, managing risks and building a strong management team, with proper succession planning and the right compensation framework. It also aims to align the interests of the Board and Management with those of shareholders and balance the interests of all stakeholders.

The Board sets the tone for the Group on ethics and values. The Group has put in place a set of well-defined policies and procedures to enhance corporate performance and accountability.

Role and Responsibilities of the Board

The Board's primary function is to protect the Group's assets and oversee its business affairs. The Board is accountable to shareholders for the Group's long-term financial performance. It reviews and approves policies, annual budgets, major funding, investments and divestments, risk tolerance levels, and sustainability and material issues. The Board also approves the appointment of directors and decides the

composition of Board committees and remuneration for the Board and senior management.

The Group has established financial authorisation and approval limits for operating and capital expenditures, procurement of goods and services, and acquisition and divestment of investments. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Executive Committee and the President & CEO to optimise operational efficiency.

Role and Responsibilities of Directors

Directors are fiduciaries of the Company and hold Management accountable for performance. All directors are expected to act objectively at all times in the interests of the Company.

The Company's Constitution provides that a director shall not vote in respect of a proposal in which he has any personal material interests, directly or indirectly. Such a director shall also not be counted in the quorum at a meeting in relation to any resolution on which he is required to abstain from voting. When facing a conflict of interest, directors are required to recuse themselves from discussions and decisions involving the issues of conflict.

The Board has established a policy on directors' training and development to ensure directors understand, meet and maintain appropriate competency requirements to perform and discharge their duties and responsibilities effectively.

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A comprehensive induction programme (including yard visits) is provided to all newly-appointed directors. They are briefed on the Group's business activities, financial performance, governance policies and practices, enterprise risk management, regulatory regime and their duties as directors. This induction programme allows new directors to get acquainted with senior management, thereby facilitating Board interaction and independent access to senior management. A new director who has no prior experience as a director of a company listed on the Singapore Exchange Limited is required to undergo training in the roles and responsibilities of a director of a listed company conducted by the Singapore Institute of Directors, or a reputable institution.

The Board values ongoing professional development of directors. Each director (i) performs an annual self-assessment, (ii) identifies his training needs and (iii) undertakes any training in order to achieve the competency required. The Company bears all training costs.

During the financial year, directors attended various training such as e-learning modules, web seminars and briefings conducted internally or externally.

Board Committees

The Board has established the following committees to assist it in discharging its stewardship and fiduciary obligations:

- Executive Committee ("EC")
- Audit Committee ("AC")
- Board Risk Committee ("BCR")
- Executive Resource & Compensation Committee ("ERCC")
- Nominating Committee ("NC")
- Special Committee ("SC")

These Board committees have clearly defined terms of reference which set out their compositions, authorities and duties (including reporting back to the Board). The terms of reference are reviewed by the Board on a regular basis. Board's approval is required for any change in the terms of reference.

The current composition of the Board and its committees is set out as follows:

Board	Executive Committee	Audit Committee	Board Risk Committee	Nominating Committee	Executive Resource & Compensation Committee	Special Committee
Tan Sri Mohd Hassan Marican (Chairman)	Chairman			Member	Member	Member
Yap Chee Keong (Deputy Chairman)	Member					
Wong Weng Sun (President & CEO)	Member					
Eric Ang Teik Lim (Lead Independent Director)			Member	Chairman	Chairman	
Bob Tan Beng Hai	Member		Chairman			Chairman
Gina Lee-Wan			Member			Member
William Tan Seng Koon	Member	Member			Member	
Patrick Daniel	Member	Member		Member	Member	
Tan Wah Yeow		Chairman	Member			
Koh Chiap Khiong		Member				Member
7 out of 10 are independent directors	4 out of 6 are independent directors	3 out of 4 (including Chairman) are independent directors	All are independent directors	2 out of 3 (including Chairman) are independent directors	3 out of 4 (including Chairman) are independent directors	2 out of 4 (including Chairman) are independent directors
2 (including Chairman) are non-independent and non-executive directors	1 is a non-independent and non-executive director	1 is a non-independent and non-executive director		1 is a non-independent and non-executive director	1 is a non-independent and non-executive director	2 are non-independent and non-executive directors
1 is an executive director	1 is an executive director					

The profile of each director is set out on pages 38 to 42 of the Annual Report 2021.

The AC, BRC, NC and ERCC have been constituted in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the Code.

The EC reviews and approves matters as required under the Group’s policies. The key responsibilities of the EC include the following:

- (a) Reviewing and making recommendations on matters requiring the Board’s approval, such as major projects tendered, progress of major projects, yard development, marketing, cybersecurity, tax issues, treasury shares and share buybacks
- (b) Approving certain matters specifically delegated by the Board, such as investments, capital expenditure and expenses exceeding the limits that can be authorised by the President & CEO

The Special Committee was constituted to conduct internal investigations into allegations of improper payments in Brazil and to deal with issues arising from the matter.

Details of the AC, BRC, NC and ERCC are set out in other sections of this report.

Board Practices

The schedules of all Board meetings, Board committee meetings and the annual general meeting (“AGM”) are planned one year in advance in consultation with the directors. The Board meets at least four times a year at regular intervals. Besides the scheduled meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. Except in years 2020 and 2021, the Board has been holding an annual strategy meeting in person to interact with senior and middle management. In this meeting, the Board is briefed on developments in the markets in which the Group operates, is updated on trends, and has in-depth discussions on the Group’s strategic direction.

A record of the directors’ attendance at Board and Board committee meetings in 2021 is disclosed below. Directors who are unable to attend a Board or committee meeting in person can attend the meeting via telephone or video conference, as permitted by the Company’s Constitution.

Director	Board Meeting	Executive Committee Meeting	Audit Committee Meeting	Board Risk Committee Meeting	Nominating Committee Meeting	Executive Resource & Compensation Committee Meeting	Special Committee Meeting
	No. of Meetings held: 14	No. of Meetings held: 9	No. of Meetings held: 4	No. of Meetings held: 4	No. of Meetings held: 3	No. of Meetings held: 3	No. of Meetings held: 2
	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Tan Sri Mohd Hassan Marican	13/14	9/9	-	-	3/3	3/3	2/2
Yap Chee Keong ¹	-	-	-	-	-	-	-
Wong Weng Sun	14/14	9/9	-	-	-	-	-
Eric Ang Teik Lim	14/14	-	-	4/4	3/3	3/3	-
Bob Tan Beng Hai	14/14	9/9	-	4/4	-	-	2/2
Gina Lee-Wan	13/14	-	-	4/4	-	-	2/2
William Tan Seng Koon	14/14	9/9	4/4	-	-	3/3	-
Patrick Daniel ²	14/14	-	4/4	-	3/3	3/3	-
Tan Wah Yeow	14/14	-	4/4	4/4	-	-	-
Koh Chiap Khiong	14/14	-	4/4	-	-	-	2/2

Notes:

- (1) Mr Yap Chee Keong was appointed a director and a member of the EC on 8 December 2021, after the last Board meeting and EC meeting held in 2021.
- (2) Mr Patrick Daniel was appointed a member of the EC on 1 December 2021, after the last EC meeting held in 2021.

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The Board has adopted guidelines for addressing competing time commitments when directors serve on multiple boards and have other principal commitments. The Company has determined that the maximum number of directorships in listed companies to be held by a director be fixed at four to ensure that a director has sufficient time and attention for the Company's affairs. For the year 2021, all directors met the guidelines set by the Company on the number of directorships held in listed companies. The Board is satisfied that each director has committed sufficient time to the Company and has contributed meaningfully to the Group.

All directors have access to complete and adequate information and resources. Directors are provided with electronic tablets to enable them to access Board and Board committee papers three days prior to and during meetings. Management has provided the Board with monthly management reports on the Group's operational and financial performance. In addition, directors receive analysts' reports, industry market updates, major projects tendered, progress updates on major projects, yard development updates and summaries of decisions made by Board committees on a quarterly basis.

The Board has separate and independent access to the President & CEO, members of senior management and the Company Secretaries at all times. Management is present at Board meetings to address directors' queries or to provide further insights into matters concerned.

The Company Secretaries attend all Board and Board committee meetings. They are responsible for ensuring that meeting procedures are followed and applicable rules and regulations complied with. The Company Secretaries assist the Board in implementing and strengthening corporate governance policies and practices.

The appointment and removal of Company Secretaries are subject to the Board's approval.

When directors, either individually or as a group, require advice from independent professionals in the furtherance of their duties, the Company Secretaries appoint, upon approval by the Board, professional advisors to render such services. The Company bears the cost of such services.

BOARD COMPOSITION AND GUIDANCE

Principle 2

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board adopts the Code's guidelines when reviewing the directors' independence.

The Board currently comprises 10 directors, seven of whom are independent directors, two are non-executive and non-independent directors, and one is an executive director. More than half of the Board members are independent (seven out of 10, or 70%).

The Company has implemented a board diversity policy. The Company recognises and embraces the benefits of having a diverse Board. The benefits include adopting a broad strategic perspective, enhancing decision-making and ensuring effective governance. The Board is made up of members from

diverse backgrounds (gender, ethnicity and nationality) and expertise (including but not limited to the core competencies of accounting, finance, business management experience and industry knowledge). While striving for diversity, all Board appointments are made on merit, taking into account the skills, experience, independence and knowledge needed for the Board as a whole to be effective. The composition of the Board meets the diversity targets adopted by the Company.

The NC reviews the size and composition of the Board from time to time and seeks to ensure that (i) the size of the Board is conducive for effective discussion and decision-making, and (ii) the Board has the requisite number of independent directors, with a broad range of experience and deep industry knowledge, and taking into account age, gender and other factors.

On 8 December 2021, the Board appointed Mr Yap Chee Keong as an additional independent director of the Company. He is the Deputy Chairman of Sembcorp Marine Board and a member of the EC.

As part of the Board renewal process, Mr Eric Ang Teik Lim who has served the Board since 30 April 2013 will step down as the director of the Company and relinquish all his board appointments (including the role of the lead independent director ("LID")) after the conclusion of the upcoming AGM on 20 April 2022. The Board would like to record its appreciation to Mr Ang for his invaluable contributions to the Group.

The tenure of the directors reflects a good balance between continuity and fresh perspectives. The Board's size and composition are appropriate given the size and geographic footprint of the Group's operations.

The Board sets aside time to meet at least once annually without the presence of Management. In 2021, the Board held 5 such meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman of the Board of Sembcorp Marine is Tan Sri Mohd Hassan Marican, and the President & CEO is Mr Wong Weng Sun. They are not related.

The Chairman of the Board is a non-executive appointment and is separate from the office of the President & CEO. The Chairman leads the Board and is responsible for ensuring the Board's effectiveness and its governance processes, while the President & CEO is responsible for following through the Board's direction and managing the day-to-day operations.

The Chairman provides leadership and facilitates the Board's effectiveness in all aspects of its roles, both inside and outside the boardroom. This includes setting the agendas for Board meetings and ensuring sufficient time is allocated for thorough discussion of each agenda item.

As the Chairman of the Board, Tan Sri Hassan has promoted an open environment for debate and ensured that the independent directors are able to speak freely and contribute effectively. He has closely monitored the translation of the

Board's decisions and directions into executive action. He has exercised control over the quality and quantity of information between the Board and Management. In addition, he has provided support, close oversight, guidance, advice and leadership to the President & CEO, Mr Wong, while respecting his executive responsibility.

The Chairman also plays a pivotal role in fostering constructive dialogue between shareholders, the Board and senior management.

The President & CEO, Mr Wong, heads the Senior Management Committee ("SMC") and manages the Group's operations in accordance with its policies. He provides oversight, guidance, advice and leadership to senior management on executing the Board's decisions. The SMC meets regularly to discuss major operational issues.

The Chairman, Tan Sri Hassan, was re-designated from an independent director to a non-independent and non-executive director on 22 February 2021, after 9 years of service on the Board. Tan Sri Hassan, who is a veteran in the oil and gas industry, has continued to serve as the Board Chairman to provide continuity and strong leadership which is vital in this dynamic environment. His extensive insights and guidance are needed to lead the Group into the next phase of transformation and growth.

Mr Eric Ang Teik Lim was appointed as the LID in 2021, upon the Chairman's re-designation to ensure that there is an independent counter-balance to the Chairman. The LID provides an important point of contact for shareholders to raise issues and concerns, especially in situations where the Chairman is conflicted or where the normal channels of communications with the Chairman or Management are inappropriate or inadequate. The Board will appoint a new LID in place of Mr Ang who will step down as a director of the Company at the conclusion of the upcoming AGM. An announcement will be made at the appropriate time regarding the appointment of the new LID.

BOARD MEMBERSHIP

Principle 4

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established the NC whose key responsibilities are to:

- Review the composition of the Board and its committees
- Identify, review and recommend Board appointments for the Board's approval, taking into account the experience, expertise, knowledge, skills and diversity of the candidates and the needs of the Board
- Review and recommend to the Board the re-appointment, re-election and retirement (if necessary) of directors, having regard for their performance, commitment and ability to contribute to the Board as well as their skill sets
- Review the Board's succession plans for directors, in particular, the Chairman, the President & CEO and key management personnel
- Make recommendations for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole and of each Board committee separately, as well as the

contribution by the Chairman and each individual director to the Board

- Conduct a performance evaluation of the Board, its committees and directors on an annual basis
- Conduct an annual assessment of whether each director has sufficient time to discharge his responsibilities, taking into consideration his multiple board representations and other principal commitments
- Determine the independence of proposed and existing directors, and assess if each proposed and/or existing director is a fit and proper person and is qualified for the office of director
- Review and recommend training and professional development programmes for the Board and directors

The NC comprises the following members, two of whom (including the NC Chairman) are independent directors and all are non-executive directors:

- Mr Eric Ang Teik Lim (Chairman)
- Tan Sri Mohd Hassan Marican
- Mr Patrick Daniel

The Board has put in place a process for the selection and appointment of directors. The process is led by the NC, which recognises that an effective and cohesive board requires the right balance of industry knowledge, experience, core competencies, skills and professional qualifications, as well as diversity.

Rotation and Re-election of Directors

The NC reviews and recommends to the Board the re-appointment and re-election of directors at the AGM.

One-third of directors who are longest-serving are required to retire from office every year at the AGM. All directors (including the President & CEO) are required to submit themselves for re-nomination and re-appointment at least once every three years.

Mr Wong Weng Sun, Mrs Gina Lee-Wan, Mr Patrick Daniel and Mr Tan Wah Yeow will be retiring by rotation pursuant to Article 94 of the Company's Constitution and/or Rule 720(5) of the Listing Manual of SGX-ST ("Listing Manual") at the AGM to be held on 20 April 2022. All of them, being eligible, have offered themselves for re-election at the AGM. Additional information about them is set out on pages 202 to 209 of the Annual Report 2021.

Pursuant to the Company's Constitution, all newly appointed directors are required to submit themselves for re-appointment at the upcoming AGM immediately following their appointments. Thereafter, they are subject to retirement by rotation in accordance with the Company's Constitution.

Mr Yap Chee Keong, a director appointed on 8 December 2021, will cease to hold office pursuant to Article 100 of the Company's Constitution and, being eligible, has offered himself for re-appointment at the upcoming AGM. Additional information about him is set out on pages 202 to 209 of the Annual Report 2021.

Where a director is required to retire from office, the NC reviews the composition of the Board and decides whether to recommend that director for re-election, taking into account factors such as the director's competencies, attendance, participation, commitments, performance, contributions and competing time commitments.

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New Appointments

When the need for a new director arises, the NC reviews the range of expertise, skills and attributes of the Board and its composition. The NC identifies and shortlists a few candidates with appropriate profiles for nomination. The NC conducts an assessment to:

- (i) Review the candidates (including their qualifications, attributes, capabilities, skills, age, past experience); and
- (ii) Ascertain that the candidates are independent from any substantial shareholders of the Group and/or from Management and business relationships with the Group.

The Board considers the NC's recommendations before appointing a candidate as a director of the Company in accordance with the Company's Constitution. Upon appointment, the NC also reviews and recommends to the Board the new director's appointment to the appropriate Board committee(s) after matching the director's skill set to the needs of each Board committee and taking into consideration an equitable distribution of responsibilities among Board members.

The NC reviews annually, and as and when circumstances require, if a director is independent based on the Code and any other salient factors.

None of the current independent directors are or have been employed by the Company or any of its related corporations for the current or any past three financial years. None of them have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the ERCC.

The NC ensures that new directors are aware of their duties and obligations. The Company has adopted a directors' training and development policy whereby directors will be trained and informed of their duties and obligations.

Each director is expected to allocate sufficient time and commitment to the Company so as to diligently carry out his duties. The Company has adopted a policy to address directors' competing time commitments when they serve on multiple boards and have other principal commitments. The NC conducts a review of the time commitment of each director once annually. Each director in general cannot hold more than four directorships in listed companies. Information on each director's other listed company directorships and principal commitments is disclosed on pages 38 to 42 of the Annual Report 2021.

The Board does not encourage the appointment of alternate directors. No alternate director is currently appointed to the Board.

BOARD PERFORMANCE

Principle 5

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC assesses at least once annually whether the Board and its committees are performing effectively so as to identify steps for improvement. The Board believes that active participation and valuable contributions are essential to the overall effectiveness of the Board.

The NC has reviewed the performance of each individual director based on factors such as the director's attendance, preparedness, participation, industry and business knowledge, and contributions at Board meetings. The Chairman acts on the results of the performance evaluation. He proposes, where appropriate, new members to be appointed to the Board or seeks the resignation of directors.

The NC uses an evaluation questionnaire to analyse the performance of the Board and Board committees. The results of the questionnaire are vital to helping the Board and Board committees improve and perform to their maximum capability.

For the 2021 Board evaluation, each director submitted a set of completed questionnaires directly to the Company Secretaries who collated the responses and produced a summary report for the NC. The NC analysed the report and submitted its findings to the Board.

Every director participated and gave feedback on a range of issues, including:

- Board's size, composition and processes
- Information access and quality of information provided to the Board
- Strategy formulation and implementation
- Innovation and transformation
- Monitoring of Group performance
- Key management personnel's performance evaluation, compensation and succession planning
- Stakeholder management
- Risk and crisis management
- Effectiveness of committees

The Board has discussed the findings of the evaluation and will implement changes in response to the feedback given by the directors. Based on the assessment for 2021, the Board and Board committees were effective as a whole.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has established the ERCC whose key responsibilities are to:

- Oversee the governance of the Group's remuneration policy (including share plans and other long-term incentive plans)
- Oversee the remuneration of senior executives, such as reviewing and recommending the remuneration of the President & CEO for Board's approval
- Oversee human capital plans to deepen core competencies, and the strength and leadership capabilities of senior management
- Recommend the grant of incentives and annual variable bonus pool to the Board for approval
- Review the remuneration of non-executive directors and make recommendations to the Board to table at the AGM for shareholders' approval

The ERCC comprises the following members, three of whom (including the ERCC Chairman) are independent directors and all are non-executive directors:

- Mr Eric Ang Teik Lim (Chairman)
- Tan Sri Mohd Hassan Marican
- Mr William Tan Seng Koon
- Mr Patrick Daniel

The ERCC considers all aspects of remuneration, including termination terms. It ensures that the terms are fair and reasonable, and termination clauses are not overly generous.

On an annual basis, a comprehensive talent management programme and succession plans are presented to the ERCC for review. The ERCC reviews the succession plans for key and critical positions to align the business goals and the Group's human capital needs. This enables the Company to identify the talent pool and allows focus and devotion of time and resources to leverage the full value and potential of the identified successors.

The Company has engaged Mercer (Singapore) Pte Ltd ("Mercer") to advise the ERCC on remuneration of directors and senior executives. Mercer is an independent external consultancy firm. There is no relationship between the Group and Mercer that has affected the independence and objectivity of Mercer.

The President & CEO is not present during discussions relating to his own remuneration, terms and conditions of service, and the review of his performance.

No ERCC member or director is involved in the deliberations of his own remuneration, compensation or any form of benefits. The Board believes in the ability of the ERCC to exercise considered judgment in its deliberations and act in the best interests of the Company.

LEVEL AND MIX OF REMUNERATION

Principle 7

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Group believes that its remuneration and reward system is aligned with the long-term interests and risk policies of the Group and that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent.

Remuneration of Non-Executive Directors

The ERCC ensures that the remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities.

The ERCC reviews and recommends a framework to the Board for determining the remuneration of non-executive directors, including the Chairman of the Board. The following framework is based on a scale of fees divided into basic retainer fees, attendance fees and allowances for travel and service on Board committees.

Directors' Fees Framework

Description	Board	Executive Committee	Audit Committee	Board Risk Committee	Nominating Committee	Executive Resource & Compensation Committee	Special Committee
Board Chairman (all-in) ¹	S\$600,000						
Deputy Board Chairman (all-in) ²	S\$500,000						
Basic Fee	S\$75,000						
Board Committee Chairman's Fee		S\$50,000	S\$50,000	S\$40,000	S\$25,000	S\$35,000	S\$50,000
Board Committee Member's Fee		S\$30,000	S\$30,000	S\$25,000	S\$15,000	S\$20,000	S\$30,000

Types of Meeting Fees³

Board	S\$3,000
Committee	S\$1,500
Committee (held on same day as Board) ⁴	S\$1,000
Board (Teleconference)	S\$1,500
Committee (Teleconference)	S\$1,000
Overseas ⁵	S\$5,000

Notes:

- (1) The Chairman of the Board does not receive the basic retainer fee for directors, or any further fees or allowances for his services as chairman or member of any Board committees.
- (2) The Deputy Chairman of the Board does not receive the basic retainer fee for directors, or any further fees or allowances for his services as chairman or member of any Board committees.
- (3) Attendance fees for committee meetings also apply to attendance at general meetings.
- (4) In 2021, this fee was waived. Only one attendance fee was paid for multiple meetings on the same day.
- (5) This fee applies to attendance by a non-resident director who is required to travel into Singapore for meetings.

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In 2021, the non-executive directors continued to take a 10% reduction of their fees. In addition, only one attendance fee was paid if a director attended multiple meetings on the same day.

Save for Mr Koh Chiap Khiong, the fees payable to non-executive directors comprise a cash component and a share component. The ERCC has determined that up to 30% of the aggregate directors' fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards under the Sembcorp Marine Restricted Share Plan 2020 ("RSP 2020"). The balance 70% is paid in cash. A non-executive director who steps down before the delivery of the share component will receive all of his director's fee (calculated on a pro-rata basis) in cash. The payment of directors' fees (both the cash and share components) is contingent upon shareholders' approval. Directors and their associates abstain from voting on any resolution(s) relating to their remuneration.

The director's fee due to Mr Koh, who holds executive position in Sembcorp Industries Ltd ("SCI") is paid wholly in cash to SCI.

Under the RSP 2020, share awards granted to directors as part of directors' fees typically consist of the grant of fully paid shares outright with no performance and vesting conditions attached, but with a selling moratorium. Non-executive directors are required to hold shares in the Company (including shares obtained by other means) worth at least the value of the basic retainer fee (currently S\$75,000). Any excess may be disposed of as desired. A non-executive director may only dispose of all of his shares one year after leaving the Board.

The actual number of shares to be awarded to each non-executive director holding office at the time of the payment is intended to be determined by reference to the volume-

weighted average price of a share on the SGX-ST over the 14 trading days from (and including) the day on which the shares are first quoted ex-dividend after the AGM (or, if no final dividend is proposed at the AGM or the resolution to approve such final dividend is not approved at the AGM, over the 14 trading days immediately following the date of the AGM). The number of shares to be awarded is rounded down to the nearest hundred and any residual balance will be settled in cash. The share component of the directors' fees for the financial year ended 31 December 2021 ("FY2021") is intended to be delivered after the 2022 AGM has been held.

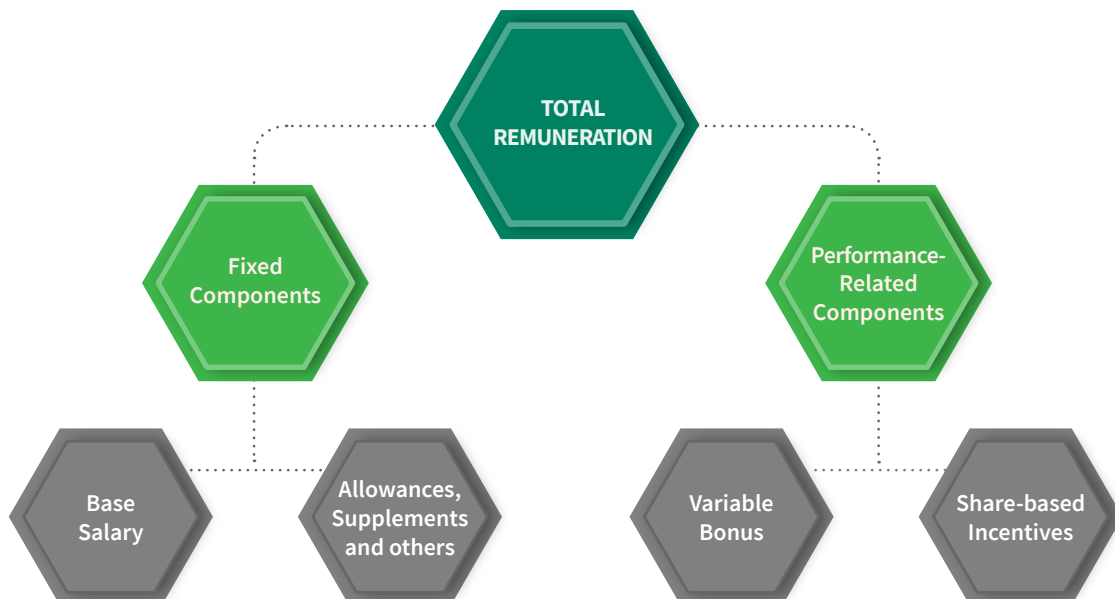
At the last AGM held on 23 April 2021, the shareholders of the Company approved the payment of directors' fees of up to S\$1,800,000 for FY2021. The total directors' fees for FY2021 amounted to S\$1,799,625.

For the financial year ending 31 December 2022 ("FY2022"), the Company will be seeking shareholders' approval at the forthcoming 2022 AGM for payment of directors' fees of up to S\$2,250,000. Shareholders' approval is being sought for a higher amount of directors' fees for FY2022 mainly because of the inclusion of an all-in fee for the Deputy Chairman of the Board who was appointed in December 2021. Subject to shareholders' approval, the cash component of the directors' fees for FY2022 is intended to be paid half-yearly in arrears. The share component of the directors' fees for FY2022 is to be delivered after the 2023 AGM.

Remuneration for Senior Executives

The Company's remuneration and reward system for senior executives is designed to ensure a competitive level of compensation to attract, retain and motivate employees to deliver high-level performance in accordance with the Company's established risk policies.

Remuneration for Senior Executives



The remuneration of the senior executives comprises three primary components:

Fixed Remuneration

Fixed remuneration includes annual basic salary, and where applicable, fixed allowances, an annual wage supplement and other emoluments. Base salaries of senior executives are determined by the scope, criticality and complexity of each role, equity against peers with similar responsibilities, experience and competencies and individual performance relative to market competitiveness of roles with similar responsibilities.

Annual Variable Bonuses

The annual variable bonus is intended to recognise the performance and contributions of the individual, while driving the achievement of key business results for the Company. The annual variable bonus includes two components. The first is linked to the achievement of pre-agreed financial and non-financial performance targets, while the second is linked to the creation of economic value added (“EVA”).

The EVA-linked bonus component is held in a “bonus bank”. Typically, one-third of the balance in the bonus bank is paid out in cash each year, while the balance two-thirds are 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. There are provisions in the EVA incentive plan to allow for forfeiture of the outstanding balances in the bonus bank in exceptional circumstances of mis-statement of financial results or misconduct resulting in financial loss to the Company.

Share-based Incentives

Through the share-based incentives, the Company motivates senior executives to continue striving for the Group’s long-term shareholder value. In addition, the share-based incentive plans aim to align the interests of participants with the interests of shareholders, so as to improve performance and achieve sustainable growth for the Company.

DISCLOSURE OF REMUNERATION

Principle 8

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Information regarding the remuneration of each director (including the President & CEO) is set out on page 199 of the Annual Report 2021.

Key Management Personnel

The remuneration of the key management personnel comprises two primary components: fixed components and performance-related components.

The President & CEO, as an executive director, does not receive directors’ fees and is remunerated as part of senior management. As a lead member of senior management, his compensation consists of his salary, allowances, bonuses and share-based incentives conditional upon meeting certain performance targets. Details on the share-based incentives and performance targets are available on pages 82 to 87 and page 199 of the Annual Report 2021.

The Company’s top five key management personnel are as follows:

- Group Finance Director
- Head of Operations
- Head of Rigs & Floaters
- Chief Human Resource Officer
- Chief Risk Officer

The FY2021 aggregate remuneration of the above-mentioned executives, comprising cash and benefits received, is stated on page 199 of the Annual Report 2021.

In 2021, the Group continued to implement salary reductions in Singapore and its overseas companies. The President & CEO continued to volunteer a 50% pay cut, while senior management continued to take a 15% salary reduction. Middle management and the rest of the employees continued to take a 10% and 5% cut respectively. Those earning less than S\$1,800 per month did not have any salary reduction. The salaries of all employees, save for the President & CEO, were reinstated from July 2021 onwards.

Share-based incentives were suspended for 2021.

Overall in 2021, the aggregate remuneration paid to the President & CEO and the top five key management personnel was 14% lower on a year-on-year basis.

No employee of the Group whose remuneration exceeded S\$100,000 during FY2021 is a substantial shareholder of the Company or an immediate family member of either a director, the President & CEO or a substantial shareholder of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Company has in place a sound system of risk management and internal controls to safeguard shareholders’ interests and the Group’s assets. Oversight responsibility of risk management and internal controls is delegated by the Board to the BRC and AC respectively. Both committees work closely to ensure that the system of risk management and internal controls maintained by Management is adequate and effective.

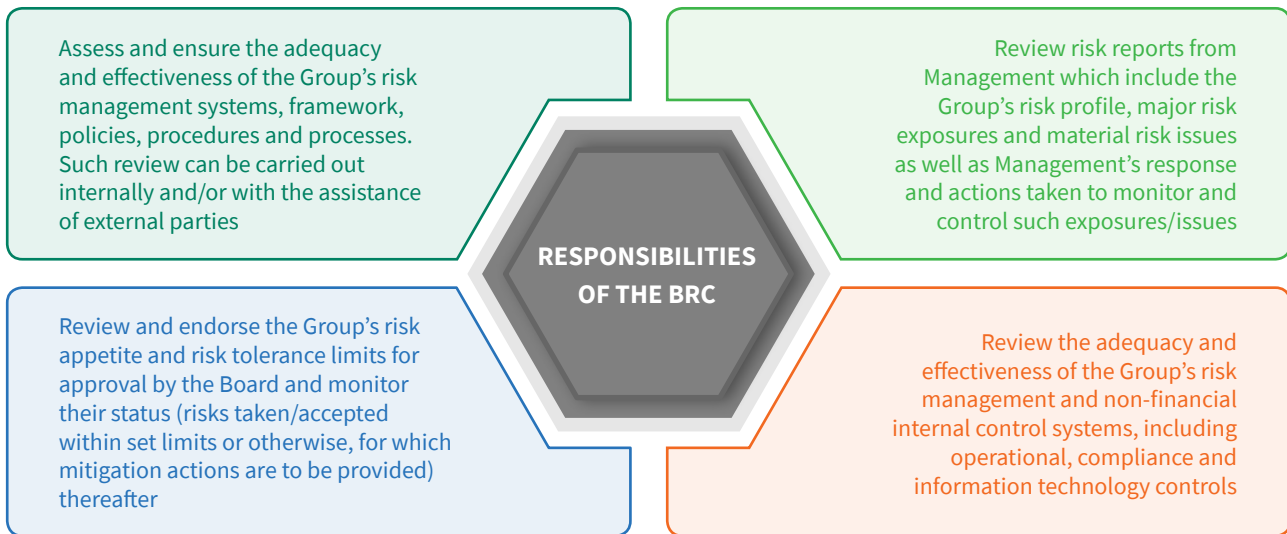
BRC Responsibilities

The BRC comprises the following members, all of whom are independent directors:

- Mr Bob Tan Beng Hai (Chairman)
- Mr Eric Ang Teik Lim
- Mrs Gina Lee-Wan
- Mr Tan Wah Yeow

The BRC’s terms of reference provide that it shall comprise at least three members, the majority of whom, including the Chairman, shall be independent. Members of the BRC are appointed by the Board on the NC’s recommendations. There is at least one common member between the BRC and the AC.

CORPORATE GOVERNANCE



The Group has implemented an Enterprise Risk Management ("ERM") programme since 2004. The ERM programme helps the Group identify, assess and manage key risks in the challenging business environment that it operates in. Please refer to pages 70 to 75 of the Annual Report 2021 for more information on the Group's ERM programme.

The Group has put in place a Risk Governance and Assurance Framework ("RGAF") to assist the Board in forming an opinion on the adequacy and effectiveness of the system of risk management and internal controls. The RGAF takes a risk-based approach in identifying key risk areas as well as corresponding processes and controls. Assessment is done to ensure adequate and effective controls are designed to mitigate the risks.

The Group has also established a crisis management policy. The policy sets out the process by which the Board and senior management are kept informed of corporate crises in a timely manner and according to their severity. Such crises include events that have, or are expected to have, a significant financial, reputational or other impact on the Group's business and operations.

Assurance to the Board

For FY2021, the Board has received assurances from:

- The President & CEO and Group Finance Director that as at 31 December 2021, the financial records were properly maintained and the financial statements gave a true and fair view of the Group's operations and finances; and
- The President & CEO and other responsible key management personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board is satisfied that the financial, operational, compliance and information technology controls and its risk management system were adequate and effective as at 31 December 2021 to meet the needs of the Group in the current business environment. The AC and BRC, having performed their reviews, concurred with the Board's opinion.

The opinion is supported by the following: Management's review and efforts to continuously strengthen the Group's risk-mitigating measures and internal controls; reports by

the Internal Audit and Group Risk Management departments; statutory audits conducted by the external auditors; and documentation of the RGAF.

Internal controls, because of their inherent limitations, can provide only reasonable but not absolute assurance regarding the achievement of their intended control objectives. In this regard, the Board is satisfied that if significant internal control failures or weaknesses were to arise, necessary actions would be swiftly taken to remedy them.

AUDIT COMMITTEE

Principle 10

The Board has an Audit Committee which discharges its duties objectively.

The AC is empowered and functions in accordance with the provisions of Section 201B of the Companies Act, the Listing Manual and the Code. The AC has the authority to investigate any activity within its terms of reference. It has full access to and co-operation of Management, and full discretion to invite any director or executive officer to attend its meetings.

AC Appointments

The AC comprises the following directors, three of whom (including the AC Chairman) are independent directors and all of whom are non-executive directors:

- Mr Tan Wah Yeow (Chairman)
- Mr Patrick Daniel
- Mr William Tan Seng Koon
- Mr Koh Chiap Khiong

The AC currently does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation who (a) ceased to be a partner or director for a prior period of less than two years; and in any case (b) have any financial interest in the auditing firm or auditing corporation.

The Board is of the view that the members of the AC (including the AC Chairman) collectively have the necessary accounting and related financial management expertise and experience to discharge their responsibilities. Management, external auditors and internal auditors update the AC as and when there are changes to the accounting standards and issues which have a direct impact on financial statements.

AC Responsibilities

The key responsibilities of the AC include:

Financial Reporting	Internal Controls	Internal Audit
<ul style="list-style-type: none"> Review significant financial reporting issues and judgments so as to ensure the integrity of the Group's consolidated financial statements Review the Group's consolidated financial statements and any related announcements Assess and challenge, where necessary, the accuracy, completeness and consistency of the consolidated financial statements (both final and interim), before they are submitted to the Board for approval Review the assurance certificate jointly provided by the President & CEO and Group Finance Director that the financial records have been properly maintained, the financial statements give a true and fair view of the Group's operations and finances, and that the Group's internal controls and risk management systems are adequate and effective 	<ul style="list-style-type: none"> Review with the external and internal auditors the adequacy of the Group's internal control systems in relation to significant internal control issues which are likely to have a material impact on the Group's operating results and/or financial position Review the representation and opinion of Management on internal controls, and the results of work performed by the internal and external auditors Review and make amendments, when necessary, to the Whistleblowing Policy and Procedure adopted by the Company to address possible improprieties in financial reporting or other matters Commission and review the findings of investigations into matters where there is any failure of internal controls which has or is likely to have a material impact on the Group's operating results and/or financial position, and also into matters where there is any suspected fraud or irregularity, or infringement of any law, rule and regulation 	<ul style="list-style-type: none"> Review and approve the Internal Audit Charter and related policies Review and approve the audit plans Review and approve the Head of Internal Audit's appointment, performance and remuneration Review the adequacy of staffing and qualification levels of the internal audit function Review the report on interested person transactions ("IPTs") prepared by the internal audit department Meet internal auditors at least once a year in the absence of Management to review the assistance given by the Group's officers to the internal audit function and to determine that no restrictions have been placed on them by Management Review, at least annually, the independence, adequacy and effectiveness of the internal audit function
External Audit	Interested Person Transactions	
<ul style="list-style-type: none"> Review the audit plans of the external auditors Review the statutory audit report prepared by the external auditors on the Group's full year consolidated financial statements and other reports relating to internal controls and Management's response and actions on any noted weaknesses Review and assess annually that the external auditors' independence and objectivity are not impaired 	<ul style="list-style-type: none"> Review and approve (prior to engagement) the non-audit services provided by the external auditors, and provide a confirmation in the Group's annual report that it has undertaken a review of these non-audit services and that such services, if any, have not affected the independence of the external auditors Recommend the appointment or re-appointment of the external auditors and their audit fees to the Board Meet the external auditors at least once a year in the absence of Management to review the assistance given by the Group's officers to the external auditors, to determine that no restrictions have been placed on them by Management 	

CORPORATE GOVERNANCE

AC Procedures

During the year under review, the AC carried out its duties in accordance with its terms of reference. The AC met every quarter to review the financial statements, assess the relevance and consistency of the accounting principles adopted and examine the significant financial reporting issues and judgments, so as to obtain reasonable assurance as to the integrity and fairness of the financial statements. The AC Chairman reported all significant financial matters relating to the Group at every quarterly Board meeting.

The AC, through its quarterly meetings, reviewed and assessed the adequacy and effectiveness of internal control and risk management systems, based on updates by Management, internal auditors and external auditors on the Group's risk mitigation measures and internal controls.

The Company has complied with Rules 712 and 715 of the Listing Manual in relation to the appointments of auditing firms.

During the year under review, the AC reviewed all the non-audit services provided to the Group by KPMG LLP ("KPMG"), the Company's external auditors. The AC is satisfied that the independence of KPMG has not been impaired by the provision of these services. A breakdown of the fees for audit and non-audit services paid to KPMG for FY2021 can be found on page 154 of the Annual Report 2021.

The AC discussed key audit matters for FY2021 with Management and the external auditors. The AC concurred with the basis and conclusions included in the independent auditors' report with respect to the key audit matters. For more information on the key audit matters, please refer to pages 89 to 95 of the Annual Report 2021.

In the year under review, the AC met two times with the external auditors and two times with the internal auditors without the presence of Management.

The Group has an Internal Audit department ("IAD") that provides independent assurance to the AC on the adequacy and effectiveness of risk management systems and internal controls. The Group's Head of Internal Audit ("HIA") reports functionally to the AC and administratively to the President & CEO. The AC decides on the appointment, termination and remuneration of the HIA.

The IAD comprises professionals with relevant qualifications and experience. The AC reviews the training and development opportunities provided to the IAD to ensure technical knowledge and skill sets remain current and relevant. The HIA has unfettered access to the AC and all of the Company's documents, records, properties and personnel, and has appropriate standing within the Company.

In line with leading practices, the IAD adopts the International Standards for the Professional Practice of Internal Auditing ("ISPPA") set out by the Institute of Internal Auditors ("IIA"), and all staff members are expected to observe, apply and uphold IIA Code of Ethics at all times.

The IAD adopted a risk-based approach to develop an annual audit plan with a focus on key risks which was reviewed and approved by the AC. The reviews performed by the IAD are aimed at assisting the Board in promoting sound risk management, robust internal controls and good corporate governance, by assessing the design and operating effectiveness of controls that govern key business processes and risks identified in the Group's overall risk framework. Internal audit reports are reviewed and discussed at AC meetings.

The AC is satisfied that the IAD is independent and effective and that the IAD has adequate resources and appropriate standing to discharge its function effectively.

Whistleblowing Policy

The Group has put in place a whistleblowing policy. This policy establishes various reporting channels through which concerns can be raised in confidence about possible improprieties in financial reporting or other matters such as suspected fraud, corruption, unethical practices or matters which may cause financial loss to the Group or damage the Group's reputation.

The AC oversees the Group's whistleblowing policy and has designated IAD to investigate whistleblowing reports made in good faith. All reasonable steps will be taken to protect the confidentiality and identity of every whistleblower, subject to legal or regulatory requirements. Whistleblowers who act in good faith will not be subject to any detrimental or unfair treatment. Any reprisal suffered shall be received, reviewed and investigated in the same manner as a whistleblowing report. The AC oversees the outcomes of independent investigations and ensures remedial actions are appropriate.

The whistleblowing policy is covered in the staff orientation programme on an ongoing basis.

SHAREHOLDER RIGHTS AND ENGAGEMENTS

Shareholder Rights and Conduct of General Meetings

Principle 11

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Disclosure Policy

The Company is committed to disclose to shareholders, analysts and other stakeholders, via the SGXNet and the Group's corporate website, accurate and timely information that is material or which may influence the price of Sembcorp Marine's shares. The Company believes this practice is central to good corporate governance and enables shareholders to make informed decisions regarding their investments in Sembcorp Marine.

The results announcements provide information on the Company's financial and operational performance as a whole as well as by business segments. This allows shareholders to gain better insight into the drivers of the Group's earnings.

The earnings results are first released via SGXNet and posted on the websites of SGX-ST and Sembcorp Marine (www.sembmarine.com). Management then holds a briefing to address media and analyst queries on its full-year and half-yearly financial results.

In the spirit of upholding investors' confidence in the fairness and integrity of the securities markets, the Company does not practise selective disclosure of price-sensitive information.

Annual General Meetings

The Company invites and encourages all registered shareholders to participate in the Company's general meetings.

Each shareholder receives a notice of meeting which is also advertised in The Business Times as well as posted on the websites of SGX-ST and Sembcorp Marine. In 2021, due to COVID-19, the notice of meeting was sent to shareholders by electronic means via publication on the websites of Sembcorp Marine and SGX-ST.

Under the multiple proxy regime, 'relevant intermediaries', such as banks and nominee companies which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to participate in and vote at shareholders' meetings. This enables indirect investors, including CPF investors, to be appointed as proxies to participate in shareholders' meetings.

The Company ensures that separate resolutions are proposed for substantially separate issues at general meetings.

The Board is cognizant of its responsibilities and stewardship to all shareholders. Together with the Board, the Group Finance Director, Company Secretaries and members of senior management are in attendance at all shareholders' meetings to permit direct engagements and communications with the shareholders.

In 2021, the Company held its AGM online pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). All directors, the Group Finance Director, the Company Secretaries, the members of senior management and the auditors of the Company attended the AGM either in person or online. Shareholders were requested to send their questions or queries to the Company prior to the AGM. The Company posted its responses to all substantial and relevant questions from shareholders on its website and SGXNet prior to the commencement of the AGM.

Shareholders exercised their voting rights in the 2021 AGM by appointing the Chairman of the meeting to cast their votes. The total number of votes cast for or against each resolution were tallied and displayed live on-screen to shareholders during the AGM webcast. The results were also announced after the meeting via SGXNet.

The Company publishes minutes of general meetings on both SGX-ST's and the Company's websites. The minutes record substantial and relevant comments or queries from shareholders, and responses from the Board and Management.

Dividends

The Company operates in a cyclical industry. It aims to balance returns to shareholders with the need for long-term sustainable growth. Taking into account its cash position, working capital requirements, capital expenditure plans and investment opportunities, the Company strives to provide shareholders annually with a consistent and sustainable dividend.

For 2021, the Board adopted a prudent approach to conserving cash in light of the challenging business environment. As such, no interim and final dividends have been declared for FY2021.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

General meetings are the principal forum for dialogue with shareholders, who may raise questions or share their views regarding the proposed resolutions and the Company's business and affairs, prior to or during the events.

The Company has in place a comprehensive investor relations policy and programme which allow for ongoing exchange of views to actively engage and promote regular, effective and fair communication with investors and shareholders.

Investor Relations and Corporate Communications personnel are available by email or telephone to answer questions from shareholders, the media and analysts. Due care is exercised in the provision of responses with emphasis on compliance to SGX-ST's rules on fair disclosure.

Apart from attending Singapore conferences, conducting regular meetings, email communications and teleconferences with investors and analysts, the Group Finance Director, and the Head of Investor Relations also participate in overseas road shows and conferences to reach out to foreign institutional investors. Despite the restrictions on overseas travel in 2021 due to COVID-19, the Group continued to actively engage the global investment community through teleconferences, web meetings and virtual forums. More information on the Company's investor relations activities can be found on pages 48 to 51 of the Annual Report 2021.

CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS Engagement With Stakeholders

Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Sembcorp Marine is committed to creating long-term value for stakeholders. The Group has in place established processes, policies and guidelines for proactive identification and engagement of stakeholders. The Company actively reaches out through diverse platforms and communication channels to build strong relationships with internal and external stakeholders across its global operations.

More details can be found in the Sustainability (Stakeholders Engagement) section of Sembcorp Marine's corporate website, the Sembcorp Marine Sustainability Report 2021, and pages 78 to 79 of the Annual Report 2021.

DEALINGS IN SECURITIES

The Company has in place a policy which prohibits dealings in the Company's securities during the blackout period by: its directors; members of the Senior Management Committee; and employees who are in possession of non-public price sensitive information in relation to the Group (collectively the "Officers"). This blackout period commences: (a) two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial statements (if the Company announces its quarterly financial statements); or (b) one month before the announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements).

The policy also provides that any of the Officers who are privy to any material unpublished price-sensitive information should not trade in Sembcorp Marine securities until the information is appropriately disseminated to the market, regardless of whether or not it is during the blackout period.

The policy also discourages trading on short-term considerations. In advance of each blackout period, Corporate Secretariat sends notices on the policy requirements to the Officers and reminds them of their obligations under the insider trading laws.

INTERESTED PERSON TRANSACTIONS

Shareholders have approved the renewal of a general mandate for IPTs at the AGM on 23 April 2021. The mandate sets out the levels and procedures for obtaining approval for each type of IPTs covered under the mandate. Information regarding the mandate can be found on the Company's website at www.sembmarine.com.

All commercial units are required to be familiar with the IPT mandate and report any such transactions to their respective finance departments. The Group Finance department consolidates the IPTs and keeps a register of the Company's IPTs.

The IAD regularly reviews the IPTs entered into by the Group to verify the accuracy and completeness of the IPT disclosure and to determine whether the IPT reporting requirements under the SGX-ST listing rules have been adhered to. The report is submitted to the AC for review.

Detailed information on IPTs for FY2021 is found on page 200 of the Annual Report 2021.

MATERIAL CONTRACTS

Save as disclosed in the IPTs listed on page 200 and the related party transactions disclosed on page 161, no other material contracts involving the interests of any director or controlling shareholder had been entered into by the Company or any of its subsidiaries and no such contracts subsisted as at 31 December 2021.

SUMMARY OF DISCLOSURES OF CODE OF CORPORATE GOVERNANCE 2018

This summary of disclosures describes Sembcorp Marine Ltd's corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code of Corporate Governance 2018.

Board Matters	
The Board's Conduct of Affairs	
Principle 1	Page reference in Annual Report 2021
Provision 1.1	Pages 52 and 53
Provision 1.2	Pages 53, 54 and 58
Provision 1.3	Page 53
Provision 1.4	Pages 53 to 55, 57 to 59 and 61 to 64
Provision 1.5	Pages 55, 56 and 58
Provision 1.6	Page 56
Provision 1.7	Page 56
Board Composition and Guidance	
Principle 2	Page reference in Annual Report 2021
Provision 2.1	Pages 56 and 58
Provision 2.2	Pages 56 and 57
Provision 2.3	Page 56
Provision 2.4	Pages 56, 57 and 58
Provision 2.5	Pages 56 and 57
Chairman and Chief Executive Officer	
Principle 3	Page reference in Annual Report 2021
Provision 3.1	Page 56
Provision 3.2	Pages 56 and 57
Provision 3.3	Page 57
Board Membership	
Principle 4	Page reference in Annual Report 2021
Provision 4.1	Page 57
Provision 4.2	Page 57
Provision 4.3	Pages 57 and 58
Provision 4.4	Page 58
Provision 4.5	Page 58
Board Performance	
Principle 5	Page reference in Annual Report 2021
Provision 5.1	Pages 56, 57 and 58
Provision 5.2	Page 58

Remuneration Matters	
Procedures for Developing Remuneration Policies	
Principle 6	Page reference in Annual Report 2021
Provision 6.1	Pages 58 and 59
Provision 6.2	Page 59
Provision 6.3	Pages 58 to 61
Provision 6.4	Page 59
Level and Mix of Remuneration	
Principle 7	Page reference in Annual Report 2021
Principle 7.1	Pages 59, 60 and 61
Principle 7.2	Pages 59 and 60
Principle 7.3	Pages 59, 60 and 61
Disclosure on Remuneration	
Principle 8	Page reference in Annual Report 2021
Principle 8.1	Pages 59 to 61 and 199
Principle 8.2	Page 61
Principle 8.3	Pages 84 to 87 and Page 199
Accountability and Audit	
Risk Management and Internal Controls	
Principle 9	Page reference in Annual Report 2021
Provision 9.1	Pages 61 and 62
Provision 9.2	Page 62
Audit Committee	
Principle 10	Page reference in Annual Report 2021
Provision 10.1	Page 63
Provision 10.2	Pages 41, 42 and 62
Provision 10.3	Page 62
Provision 10.4	Page 64
Provision 10.5	Page 64

Shareholder Rights and Engagement	
Shareholder Rights and Conduct of General Meetings	
Principle 11	Page reference in Annual Report 2021
Principle 11.1	Page 65
Principle 11.2	Page 65
Principle 11.3	Pages 55 and 65
Principle 11.4	Page 65
Principle 11.5	Page 65
Principle 11.6	Page 66
Engagement with Shareholders	
Principle 12	Page reference in Annual Report 2021
Principle 12.1	Pages 64, 65 and 66
Principle 12.2	Pages 64, 65 and 66
Principle 12.3	Pages 65 and 66
Managing Stakeholders Relationships	
Engagement with Stakeholders	
Principle 13	Page reference in Annual Report 2021
Principle 13.1	Page 66
Principle 13.2	Page 66
Principle 13.3	Pages 50 and 66