Sembcorp Marine Ltd

Notice of Annual General Meeting

Company Registration No. 196300098Z
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN THAT the 51st Annual General Meeting of Sembcorp Marine Ltd (the "**Company**") will be held at 29 Tanjong Kling Road, Singapore 628054 on 22 April 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1 To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2013 and the Auditors' Report thereon. Resolution 1

2 To declare a final one-tier tax exempt dividend of 6 cents per ordinary share and a final one-tier tax exempt special dividend of 2 cents per ordinary share for the year ended 31 December 2013. Resolution 2

3 To re-elect the following directors, each of whom will retire by rotation pursuant to Article 91 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:

(a) Mr Lim Ah Doo Resolution 3
(b) Mr Wong Weng Sun Resolution 4
(c) Mr Koh Chiap Khiong Resolution 5

4 To re-elect Mr Eric Ang Teik Lim, a director who will cease to hold office pursuant to Article 97 of the Company's Articles of Association and who, being eligible, will offer himself for re-election. Resolution 6

(Mr Eddie Teh Ewe Guan, a director who will also cease to hold office pursuant to Article 97 of the Company's Articles of Association, will not be offering himself for re-election.

Mr Goh Geok Ling, a director who will retire under Section 153 of the Companies Act, Cap. 50, will not be offering himself for re-election.)

5 To approve the sum of S$1,742,166 (2012: S$1,365,248) as directors' fees for the year ended 31 December 2013 comprising: Resolution 7

(a) S$1,357,266 to be paid in cash (2012: S$955,674), and

(b) S$384,900 to be paid in the form of restricted share awards under the Sembcorp Marine Restricted Share Plan 2010 (2012: S$409,574), with the number of shares to be awarded rounded down to the nearest hundred and any residual balance settled in cash.

6 To re-appoint KPMG LLP as Auditors of the Company and authorise the directors to fix their remuneration. Resolution 8

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SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

7 That authority be and is hereby given to the directors of the Company to: Resolution 9

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may, in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 5% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

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8 That approval be and is hereby given to the directors to: Resolution 10

(a) grant awards in accordance with the provisions of the Sembcorp Marine Performance Share Plan 2010 (the "**Performance Share Plan**") and/or the Sembcorp Marine Restricted Share Plan 2010 (the "**Restricted Share Plan**") (the Performance Share Plan and the Restricted Share Plan, together the "**Share Plans**"); and

(b) allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be delivered pursuant to the vesting of awards under the Share Plans,

provided that:

(i) the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of shares, pursuant to the Share Plans, shall not exceed 7% of the total number of issued shares in the capital of the Company (excluding treasury shares) from time to time; and

(ii) the aggregate number of ordinary shares under awards to be granted pursuant to the Share Plans during the period commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1% of the total number of issued shares in the capital of the Company (excluding treasury shares) from time to time.

9 To transact any other business.

By Order of the Board

Tan Yah Sze/Kwong Sook May
Joint Company Secretaries

3 April 2014

Explanatory Notes:

Resolutions 3 to 6 – Detailed information on these directors can be found under the Board of Directors and Corporate Governance Report sections in the Annual Report 2013

Resolution 3 – If re-elected, Mr Lim Ah Doo, an independent director, will remain as the Chairman of the Audit Committee.

Resolution 5 – If re-elected, Mr Koh Chiap Khiong, a non-independent and non-executive director, will be appointed as a member of the Audit Committee.

Resolution 7 – This resolution is to approve the payment of directors' fees, comprising a cash component and a share component. Detailed information on directors' fees is set out under "Remuneration Matters" in the Corporate Governance Report section in the Annual Report 2013 (see page 42). Directors and their associates will abstain from voting on Resolution 7.

The directors' fees will only be paid after shareholders' approval has been obtained at the upcoming Annual General Meeting ("**AGM**"). To align the interests of the non-executive directors with the interests of shareholders, up to 30% of the aggregate directors' fees approved by shareholders for a particular financial year will be paid out in the form of restricted share awards under the Sembcorp Marine Restricted Share Plan 2010.

For year 2013, the awards granted under the Sembcorp Marine Restricted Share Plan 2010 to all directors as part of their directors' fees (except for (i) Mr Wong Weng Sun, who is the President & Chief Executive Officer, and who does not receive any directors' fees, (ii) Mr Eric Ang Teik Lim, whose directors' fee will be paid entirely in cash to his employer, DBS Bank Ltd, and (iii) Mr Goh Geok Ling and Mr Eddie Teh Ewe Guan, both of whom will retire at the upcoming AGM and who will each receive his directors' fee entirely in cash) will 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 (including shares obtained by other means) worth at least one-time the annual base retainer; any excess may be sold as desired. A non-executive director can 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 (other than Mr Eric Ang Teik Lim, Mr Goh Geok Ling and Mr Eddie Teh Ewe Guan who, as stated above, will not receive any directors' fees in shares) will 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 Resolution 2 is not approved, over the 14 trading days immediately following the date of the AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash.

Statement pursuant to Article 54 of the Articles of Association of the Company:

Resolution 9 – This resolution is to empower the directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares in the capital of the Company excluding treasury shares, of which up to 5% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time that Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Resolution 10 – This resolution is to empower the directors to offer and grant awards pursuant to the Sembcorp Marine Performance Share Plan 2010 and the Sembcorp Marine Restricted Share Plan 2010 (collectively, the "**Share Plans**") and to issue ordinary shares in the capital of the Company pursuant to the vesting of awards granted pursuant to the Share Plans provided that: (a) the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of shares, pursuant to the Share Plans, shall not exceed 7% of the total number of issued shares in the capital of the Company (excluding treasury shares) from time to time; and (b) the aggregate number of ordinary shares under awards to be granted pursuant to the Share Plans during the period commencing from this AGM and ending on the date of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, shall not exceed 1% of the total number of issued shares in the capital of the Company (excluding treasury shares) from time to time. Approval for the adoption of the Share Plans was given by shareholders at an Extraordinary General Meeting of the Company held on 20 April 2010. The grant of awards under the Share Plans will be made in accordance with their respective provisions.

Notes:

1. *A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.*

2. *The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 29 Tanjong Kling Road, Singapore 628054 not later than 48 hours before the time of the Annual General Meeting.*

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 30 April 2014 to determine the members' entitlements to the proposed dividend.

Duly completed transfers in respect of ordinary shares in the capital of the Company together with all relevant documents of title received by the Company's Share Registrar, KCK Corpserve Pte Ltd, 333 North Bridge Road #08-00 KH KEA Building, Singapore 188721, up to 5.00 p.m. on 29 April 2014 (the "Book Closure Date") will be registered to determine members' entitlements to the proposed dividend. Subject as aforesaid, members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Book Closure Date will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the 51st Annual General Meeting, will be paid on 14 May 2014.