

# Notice of Annual General Meeting

## Semcorp Industries Ltd

Co Regn No. 199802418D

(Incorporated in the Republic of Singapore)

**Notice is hereby given** that the Twenty-First Annual General Meeting of Semcorp Industries Ltd (the “**Company**”) will be held at Stephen Riady Auditorium@NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on Thursday, April 18, 2019 at 10.00 a.m. for the following purposes:

### Routine Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended December 31, 2018 and the Auditors’ Report thereon. **Resolution 1**
2. To declare a final ordinary one-tier tax exempt dividend of 2 cents per share for the year ended December 31, 2018. **Resolution 2**
3. To re-elect the following directors, each of whom will retire by rotation pursuant to article 94 of the Company’s Constitution and who, being eligible, will offer themselves for re-election:
  - a. Tan Sri Mohd Hassan Marican **Resolution 3**
  - b. Tham Kui Seng **Resolution 4**
  - c. Ajaib Haridass (*Independent Member of the Audit Committee*) **Resolution 5**
  - d. Nicky Tan Ng Kuang **Resolution 6**
4. To re-elect Dr Josephine Kwa Lay Keng, a director who will retire pursuant to article 100 of the Company’s Constitution and who, being eligible, will offer herself for re-election. **Resolution 7**
5. To approve directors’ fees of up to S\$2,500,000 for the year ending December 31, 2019 (2018: up to S\$2,500,000). **Resolution 8**
6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors to fix their remuneration. **Resolution 9**

### Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

7. That authority be and is hereby given to the directors to: **Resolution 10**
  - a. i. issue shares 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

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## Special Business *(cont'd)*

- 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 excluding treasury shares and subsidiary holdings (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 excluding treasury shares and subsidiary holdings (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 (the “**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 excluding treasury shares and subsidiary holdings 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,
- and, in paragraph (1) above and this paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
- (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 Constitution 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.

## Special Business *(cont'd)*

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

### Resolution 11

- a. grant awards in accordance with the provisions of the Sembcorp Industries Performance Share Plan 2010 (the "**SCI PSP 2010**") and / or the Sembcorp Industries Restricted Share Plan 2010 (the "**SCI RSP 2010**") (the SCI PSP 2010 and SCI RSP 2010, together the "**Share Plans**"); and
- b. allot and issue from time to time such number of fully paid-up ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards under the Share Plans,

#### provided that:

- (1) 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 ordinary shares, pursuant to the Share Plans, shall not exceed 7% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time; and
- (2) 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 ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

9. That

### Resolution 12

- a. approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Company's Letter to Shareholders dated March 27, 2019 (the "**Letter**") with any party who is of the class of interested persons described in Appendix 1 to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

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## Special Business *(cont'd)*

- b. the approval given in paragraph a. above (the “**IPT Mandate**”) shall, unless revoked or varied by the Company in General Meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- c. the directors and / or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and / or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and / or this Resolution.

### 10. That

### Resolution 13

- a. for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the directors from time to time up to the Maximum Price (as hereafter defined), whether by way of
  - i. market purchase(s) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and / or
  - ii. off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- b. unless varied or revoked by the Company in general meeting, the authority conferred on the directors pursuant to the Share Purchase Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - i. the date on which the next Annual General Meeting of the Company is held;
  - ii. the date by which the next Annual General Meeting of the Company is required by law to be held; and
  - iii. the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

## Special Business *(cont'd)*

- c. in this Resolution:

**"Average Closing Price"** means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

**"date of the making of the offer"** means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

**"Maximum Limit"** means that number of issued Shares representing 2% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

**"Maximum Price"**, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

- d. the directors and / or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and / or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and / or authorised by this Resolution.

By Order of the Board

Kwong Sook May  
Company Secretary

Singapore  
March 27, 2019

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## Explanatory Notes:

Resolutions 3 to 7 – detailed information on these directors can be found under the Board of Directors, Corporate Governance Statement and Additional Information on Directors Seeking Re-election sections in the Annual Report 2018.

If re-elected, Mr Ajaib Haridass will remain as a member of the Audit Committee and the Chairman of the Risk Committee. He is an independent director.

Resolution 8 – if passed, will facilitate the payment of directors' fees during the financial year in which the fees are incurred, that is, during the financial year ending December 31, 2019. The exact amount of directors' fees received by each director for the financial year ended December 31, 2018 is disclosed in full in the Supplementary Information section of the Annual Report 2018. Directors and their associates will abstain from voting on Resolution 8.

The amount of the directors' fees is based on the anticipated number of board and committee meetings for year 2019, assuming full attendance by all of the non-executive directors. The amount also caters for additional ad-hoc board and committee meetings. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting in year 2020 ("**2020 AGM**") before any payments are made to directors for the shortfall.

The current intention is that the directors' fees for the non-executive directors for year 2019 will comprise a cash component and a share component, with up to 30% being paid out in the form of restricted share awards under the Sembcorp Industries Restricted Share Plan 2010 (including any extension) or new / replacement plan. Any such award would typically consist of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium. Under the Directors' Fee Framework, non-executive directors are required to hold shares (including shares obtained by other means) worth S\$75,000; any excess may be sold as desired. A non-executive director can dispose of all of his shares one year after leaving the Board. See the Corporate Governance Statement in the Annual Report 2018 for more details.

The cash component of the directors' fees for year 2019 is intended to be paid half-yearly in arrears. The share component of the directors' fees for year 2019 is intended to be paid after the 2020 AGM has been held. 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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**") over the 14 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2020 AGM (or, if no final dividend is proposed at the 2020 AGM, or the resolution to approve any such final dividend is not approved at the 2020 AGM, over the 14 trading days immediately following the date of the 2020 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. A non-executive director who steps down before the payment of the share component will receive all of his directors' fees for year 2019 (calculated on a pro-rated basis, where applicable) in cash.

## **Explanatory Notes:** (cont'd)

### **Statement pursuant to article 57 of the Constitution of the Company:**

Resolution 10 – is to empower the directors to issue shares 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 of the Company excluding treasury shares and subsidiary holdings, 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 of the Company excluding treasury shares and subsidiary holdings at the time that Resolution 10 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 10 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at March 4, 2019 (the “**Latest Practicable Date**”), the Company had 3,100,138 treasury shares and no subsidiary holdings.

Resolution 11 – is to empower the directors to offer and grant awards pursuant to the Sembcorp Industries Performance Share Plan 2010 and the Sembcorp Industries Restricted Share Plan 2010 (collectively, the “**Share Plans**”) and to issue ordinary shares 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 ordinary shares, pursuant to the Share Plans shall not exceed 7% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) 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 Annual General Meeting to the next Annual General Meeting shall not exceed 1% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) 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 April 22, 2010. The grant of awards under the Share Plans will be made in accordance with their respective provisions.

Resolution 12 – is to renew the mandate, as proposed to be modified, to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) (the “**EAR Group**”), or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Letter to Shareholders dated March 27, 2019 (the “**Letter**”). The proposed modifications are to add new categories of general transactions, and to refine, enhance and re-categorise some of the existing general transactions, in order to accommodate the overall expansion and growth of the EAR Group’s activities and also to align with the EAR Group’s current presentation of its key businesses. New management support services (namely, information technology (“**IT**”) services and accounting services) are also proposed to be added to enhance consistency and efficiency in the EAR Group’s IT and accounting practices. Please refer to the Letter for more details.

Resolution 13 – is to renew the mandate to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company, on the terms and subject to the conditions set out in the Resolution.

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## Explanatory Notes: *(cont'd)*

The Company intends to use its internal sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued ordinary shares as at the Latest Practicable Date and excluding any ordinary shares held in treasury, the purchase by the Company of 2% of its issued ordinary shares (and disregarding the ordinary shares held in treasury) will result in the purchase or acquisition of 35,688,951 ordinary shares.

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires 35,688,951 ordinary shares at the maximum price of S\$2.76 for one ordinary share (being the price equivalent to 105% of the average of the last dealt prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 35,688,951 ordinary shares is S\$98,501,504.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended December 31, 2018 based on these assumptions are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

## Notes:

- (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
  - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

- A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 72 hours before the time appointed for the Annual General Meeting.



## Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the Annual General Meeting and / or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and / or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and / or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and / or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and / or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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## 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 April 26, 2019 to determine the shareholders' entitlements to the proposed dividend. Duly completed transfers of shares received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on April 25, 2019 (the "**Book Closure Date**") will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares 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 Annual General Meeting, will be paid on May 13, 2019.