

SEMBCORP MARINE LTD

(Incorporated in Singapore)

(Company Registration No. 196300098Z)

(the "Company" or "SCM")

MINUTES OF THE 56TH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT STEPHEN RIADY AUDITORIUM@NTUC, NTUC CENTRE, LEVEL 7, ONE MARINA BOULEVARD, SINGAPORE 018989 ON TUESDAY, 16 APRIL 2019 AT 11.00 AM

PRESENT

Shareholders/Proxies

Please refer to the attendance list.

IN ATTENDANCE

Tan Sri Mohd Hassan Marican	Chairman
Mr Wong Weng Sun	Director
Mr Ron Foo Siang Guan	Director
Mr Bob Tan Beng Hai	Director
Mr Eric Ang Teik Lim	Director
Mr William Tan Seng Koon	Director
Mrs Gina Lee-Wan	Director
Mr Patrick Daniel	Director
Mr Tan Wah Yeow	Director
Mr Neil McGregor	Director
Mr Koh Chiap Khiong	Director
Mr William Goh	Director, Group Finance
Ms Tan Yah Sze	Company Secretary
Ms Chay Suet Yee	Company Secretary
Ms Ang Fung Fung	Audit Partner, KPMG LLP

INTRODUCTION

The emcee welcomed all to the 56th Annual General Meeting of the Company (the "AGM" or "Meeting") and introduced the panel of directors and management.

A presentation of the handheld electronic voting device was made at the Meeting.

CHAIRMAN

The Chairman welcomed shareholders to the AGM.

He informed the Meeting that he had been appointed proxy by some shareholders for the AGM.

QUORUM

The Chairman noted that there was a quorum and proceeded to call the Meeting to order.

NOTICE

The Notice of the AGM was circulated to the Shareholders and was taken as read at the Meeting with the concurrence of all members present.

ELECTRONIC POLLING

Chairman informed that all resolutions at the Meeting would be put to vote by way of electronic polling.

TS Tay Public Accounting Corporation was appointed as the scrutineer at the AGM for the purpose of vote taking.

ORDINARY BUSINESS

1 DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 AND THE AUDITORS' REPORT THEREON

The Chairman proposed:

"That the directors' statement and audited financial statements of the Company for the year ended 31 December 2018 and the auditors' report thereon be and are hereby received and adopted."

The Chairman then invited questions from shareholders. The responses to queries raised at the Meeting are set out below.

1.1 Outlook, profit margins and revenue for 2019

1.1.1 2018 was a very challenging year for the marine and offshore sector. It was a continuation of a long down-cycle with a lack of orders from oil majors. However, with increased spending by the oil companies towards the end of 2018, the Company was cautiously optimistic of an improvement in the later part of 2019 or in 2020.

1.1.2 The Company secured a few major projects between 2017 and 2018, and would be recognizing the income of these projects in 2019 and 2020. Management would continue working hard on getting more orders, including from oil majors. The challenge was to replenish the order book of the Company, but this would be dependent on customers achieving final investment decisions ("FIDs") on their projects.

1.1.3 The margins had been thin in 2018 compared with 2017 as the margins relating to the disposal of jackups were recognized in 2017 but absent in 2018. Activity levels in 2018 were relatively higher compared to 2017 but keen competition compressed the margins. The Company was unable to give predictions on the margin levels, but competition in the market remained keen.

1.2 Current Business Model of the Company

1.2.1 SCM had evolved from building drilling rigs to executing projects involving higher technology and for deeper water and harsher environment. SCM competed against other international shipyards and won projects from various oil majors. The Company would continue to capture opportunities and tender for projects in any part of the world as long as it had the capabilities and financial means to execute the projects.

- 1.2.2 The Company is also evolving to become an integrated marine engineering solutions provider, including for gas value chain solutions. Innovations would be key in enabling the Company to provide sophisticated products and solutions. The Company has built competency and infrastructure to perform integration and new building projects. With infrastructure including steel fabrication and engineering capabilities and technology companies acquired, this goal could be achieved within 5 years.
- 1.2.3 The business model of the Company has changed in response to the change in approaches taken by oil majors. They require solution providers to participate in front end engineering and design. Such a project would thus require a longer gestation period than just doing fabrication. The customers may take up to 2 years to achieve FID before the project takes off, and a further 3 to 4 years for construction.
- 1.2.4 The Company has succeeded in gaining access to working with oil majors, and they found the Company to be more flexible than competitors elsewhere to adapt to their needs. The Company is able to offer more than pure fabricator role, and is not as rigid as specialized newbuilding contractors. Once confidence is built in oil majors, chances of getting repeat business from them would be higher, but the Company still has to be competitive.

1.3 New technologies and green energy products

- 1.3.1 With the IMO regulations requiring treatment of ballast water and limits on exhaust gas emission coming into force, the Company is capturing some of the business for the installation of ballast water management systems (“BWMS”) and gas scrubbers in vessels. There are many opportunities in this area and orders for BWMS and scrubber retrofits are expected to remain strong in light of the IMO requirements.
- 1.3.2 Demand for LNG ship repairs is expected to remain strong in 2019. The Company acquired technology and embarked on construction of LNG hybrid-powered tugs as part of SCM’s commitment towards greener operations and to comply with IMO emission targets.
- 1.3.3 The Company had also secured 2 orders to build two offshore wind farm substation topsides, a growing market which the Company would also focus on.
- 1.3.4 There are no major acquisitions expected currently, but the Company has invested in its new integrated Tuas Boulevard Yard (“TBY”), and would be vacating Tanjong Kling Yard and moving to TBY in 2019 to achieve further cost savings.

1.4 Repairs and upgrades segment

- 1.4.1 Facilities in TBY have enabled increased activities for repairs and upgrades, by allowing a faster turnaround of repair works and thus a higher number of vessel repair jobs to be captured. The size of the dry docks also brought in higher value works and improved vessel mix. The Company has succeeded in getting more repair and upgrade work on

cruise ships and LNG carriers. The Company will focus on garnering work from its capabilities rather than to venture into new niche areas of vessel construction (eg: newbuilding of cruise ship, for which it has to develop new capabilities and market).

1.4.2 The Company also established alliances with customers to forge long-term relationships after earning the trust of customers in its abilities to deliver top quality works on time and at reasonable rates. Work schedules for the vessels fleet of alliance customers are planned ahead together with the Company to optimise the Company's facilities usage and faster vessel turnaround time.

1.5 Costs Reduction Measures

1.5.1 The Company has undertaken many measures to reduce costs. It is also in progress of consolidating all yard operations in Singapore at its TBY Yard to enhance cost efficiency and capabilities. It has also taken all kinds of projects, including land based projects, to increase its revenue.

1.6 Other Issues

1.6.1 The Company is in the process of refreshing the Board, and had taken in new members as older members retire. The Board members included directors from diverse backgrounds, and not necessarily just those with marine background, to lend guidance to Management.

1.6.2 When asked about any potential merger with Keppel Corp's offshore and marine business, Chairman declined to comment as this matter was not a decision the Company could make.

1.6.3 The Company has further taken note of shareholders' request for briefing on the progress of the Company and for further clarity on business segment reporting.

After dealing with shareholders' questions, the Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as set out in the poll results attached hereto as "Appendix 1" ("Poll Results").

2 RE-ELECTION OF THE DIRECTORS RETIRING BY ROTATION PURSUANT TO ARTICLE 94 OF THE COMPANY'S CONSTITUTION

Mrs Gina Lee-Wan, Mr Bob Tan Beng Hai and Mr Wong Weng Sun were the directors who were due to retire pursuant to Article 94 of the Company's Constitution and who, being eligible, had offered themselves for re-election. All of them had signified their consents to continue in office.

2.1 RE-ELECTION OF MRS GINA LEE-WAN

The Chairman proposed:

"That Ms Gina Lee-Wan, who is retiring by rotation pursuant to Article 94 of the Company's Constitution, be re-elected as a director of the Company."

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

2.2 RE-ELECTION OF MR BOB TAN BENG HAI

The Chairman informed the shareholders that Mr Bob Tan Beng Hai would, upon re-election as a director of the Company, remain as a Chairman of the Board Risk Committee and Special Committee, and a member of the Executive Committee and would be considered independent.

The Chairman proposed:

“That Mr Bob Tan Beng Hai, who is retiring by rotation pursuant to Article 94 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

2.3 RE-ELECTION OF MR WONG WENG SUN

The Chairman proposed:

“That Mr Wong Weng Sun, who is retiring by rotation pursuant to Article 94 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

3 RE-ELECTION OF THE DIRECTORS CEASING TO HOLD OFFICE PURSUANT TO ARTICLE 100 OF THE COMPANY’S CONSTITUTION

Mr Patrick Daniel and Mr Tan Wah Yeow were directors who ceased to hold office pursuant to Article 100 of the Company’s Constitution and who, being eligible, had offered themselves for re-election. Both of them had signified their consents to continue in office.

3.1 RE-ELECTION OF MR PATRICK DANIEL

The Chairman proposed:

“That Mr Patrick Daniel, who has ceased to hold office pursuant to Article 100 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

3.2 RE-ELECTION OF MR TAN WAH YEOW

The Chairman informed the shareholders that Mr Tan Wah Yeow would, upon re-election as a director of the Company, remain as a member of the Audit Committee and would be considered independent.

The Chairman proposed:

“That Mr Tan Wah Yeow, who has ceased to hold office pursuant to Article 100 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

4 APPROVAL OF DIRECTORS’ FEES FOR THE YEAR ENDING 31 DECEMBER 2019

The directors had recommended the payment of a sum of up to S\$2,300,000 as directors’ fees for the year ending 31 December 2019.

Queries were raised by shareholders, to which Chairman responded as follows:

- 4.1 The current number of independent directors would reduce as more senior directors would retire at the subsequent annual general meeting.
- 4.2 In 2017, the directors took a voluntary 10% reduction in their fees in light of the prolonged downturn in market. In 2018, the Company engaged Mercer (Singapore) to advise on the remuneration of directors and senior executives to ensure that the remuneration was aligned with the market. The Chairman explained that the all-in fees for Chairman included both retainer and attendance fees. He had also taken a voluntary reduction of 10% of his fees for 2018. As a result of the revised lowered attendance fees and Chairman’s fee, the total payout for 2018 directors’ fees was reduced by 11 per cent.

The Chairman informed the shareholders that all directors and their associates would abstain from voting on this resolution.

A shareholder proposed:

“That the payment of directors’ fees of up to S\$2,300,000 for the year ending 31 December 2019 be and is hereby approved.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

5 RE-APPOINTMENT OF AUDITORS

The Audit Committee had recommended the re-appointment of KPMG LLP as the Company’s auditors and KPMG LLP had expressed their willingness to continue in office.

To queries from a shareholder on the re-appointment of KPMG LLP, the following responses were given:

- 5.1 KPMG LLP had been the auditors for the Company for 11 years. There was no legal requirement for companies to change auditors after a period, but the partner in charge had been changed every 5 years.
- 5.2 The audit partner confirmed that the operating segment disclosure had met the required accounting standards. Mr Ron Foo Siang Guan explained further that

the auditors had the duty to ensure that the disclosures made by the Company met the requirements under relevant accounting standards. If the disclosures have met the standards, further disclosures would be made at the discretion of the management of the Company. It would be difficult for management to fulfill all disclosure preferences from different shareholders. For full details, the shareholders were encouraged to review the long form audit report.

The Chairman proposed:

“That KPMG LLP be and is hereby re-appointed as the auditors of the Company until the conclusion of the next Annual General Meeting, and that the directors be authorised to fix their remuneration.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

SPECIAL BUSINESS

6 RENEWAL OF SHARE ISSUE MANDATE

The proposed Resolution 9 set out in the notice of the Meeting was to seek approval for the renewal of the Share Issue Mandate. This mandate would empower the directors to issue shares and convertible securities of up to 50% of the total number of issued shares, excluding treasury shares, on a pro rata basis, with a sub limit of 5% for issues other than on a pro rata basis.

Chairman proposed the following ordinary resolution:

“That authority be and is hereby given to the directors to:

- (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 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.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as shown in the Poll Results.

7 RENEWAL OF SHARE PLAN MANDATE

A shareholder proposed:

“That approval be and is hereby given to the directors to:

- (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.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as set out in the Poll Results.

8 MODIFICATIONS TO, AND RENEWAL OF, IPT MANDATE

The proposed Resolution 11 set out in the notice of the Meeting was to seek approval from the shareholders for the modifications to, and the renewal of the IPT Mandate (as defined in the resolution text). The current IPT Mandate took effect from the previous year’s annual general meeting and would expire at this Meeting. The Company was seeking shareholders’ approval for the modifications to, and renewal of the IPT Mandate, to take effect until the next AGM of the Company.

The Chairman informed the shareholders that Temasek Holdings (Private) Limited, Sembcorp Industries Ltd, the directors and their respective associates would abstain from voting on this resolution.

A shareholder proposed:

“That:

- (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 1 April 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;
- (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.”

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as set out in the Poll Results.

9 RENEWAL OF SHARE PURCHASE MANDATE

The proposed Resolution 12 set out in the notice of the Meeting was to seek approval for the proposed renewal of the Share Purchase Mandate. The Chairman proposed:

“That:

- (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 any other securities exchange on which the Shares may for the time being be listed and quoted (“Other Exchange”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, the Other Exchange) 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 or, as the case may be, Other Exchange, 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;
- (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 or, as the case may be, the Other Exchange, 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 10% 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))any Shares which are held as treasury shares as at that date); 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.

The Chairman put the resolution to vote. The proposed resolution was passed by a majority of votes as set out in the Poll Results.

10 ANY OTHER BUSINESS

No notice was received for any other business to be transacted at the Meeting.

11 CLOSURE OF MEETING

There being no other business, the Meeting ended at 12.40 pm.

Signed by Chairman of the Meeting