



Company Registration Number: 196300098Z

**Proposed Combination of
Sembcorp Marine Ltd and Keppel Offshore & Marine Ltd**

Response to Further Questions from Shareholders

Unless otherwise stated, capitalised terms used herein shall have the same meaning ascribed to them in the Circular dated 31 January 2023 on the Proposed Combination.

Singapore, 16 February 2023: Sembcorp Marine Ltd (the “**Company**” or “**Sembcorp Marine**”, together with its subsidiaries, the “**SCM Group**”) received further questions from shareholders after 7 February 2023, the last date for submission of questions relating to its Circular dated 31 January 2023 on the Proposed Combination (the “**Circular**”). The Company would like to respond to these questions as set out below.

Q1. Recently, the news headlines are blaring about the Keppel Offshore & Marine corruption scandal in Brazil. There was a ferocious debate about it in Parliament and amongst families & friends during the CNY festive gatherings. Can you please identify the six individuals implicated in the Keppel Offshore corruption scandal? Can you please confirm if these six individuals will be employed by the merged entity?

The Company is not able to identify the six individuals. We note from media reports that they have been described as former staff of Keppel Offshore & Marine Ltd.

Q2 How does SCM ensure that the culture of corruption seen in Keppel Offshore & Marine is not incorporated into the merged entity? What safeguards are in place to ensure that the merged entity does not run afoul of the law, especially laws governing anti-corruption and bribery?

The SCM Group has a strict compliance programme and continuously works to ensure that policies and procedures are in place to prevent violation of anti-corruption and bribery laws.

Q3 With reference to the Reuters news article, it was reported that in 2017, "Keppel O&M sanctioned 17 current, former employees over Brazil bribery case: document" (<https://www.reuters.com/article/us-singapore-keppel-corp-fine-idUSKBN1E002G>) Can you please confirm if these 17 current and former employees of KOM will be employed by the merged entity?

At this point in time, the Company does not have information on this matter and is therefore not in a position to comment on this.

- Q4. Last year, it was reported that SCM suffered a data breach incident. A sister company of Keppel Offshore & Marine, Keppel T&T also suffered a data breach incident. How does the merged entity ensure that data privacy and confidentiality are safeguarded and that there are no more such data breach incidents in the future? What safeguards are in place to ensure that the merged entity does not run afoul of the law, especially laws governing data security?**

The Company issued an announcement on this matter on 31 August 2022.

The Company treated this incident seriously and took immediate actions to manage and mitigate any potential risks. Cybersecurity experts were appointed to conduct detailed analytics to flush out all breaches and related root causes, assist with impact assessment, review and enhance security measures to further strengthen the Company's core IT infrastructure and systems.

The Company is mindful of stakeholders' concerns and has assured them that information security and privacy are our top priorities. The Company has in place data protection policies which it enforces stringently.

- Q5. Please indicate the composition of employees in the merged entity. For senior management, what percentage of the merged entity would comprise of former SCM and KOM staff respectively? For middle management, what percentage of the merged entity would comprise of former SCM and KOM staff respectively? For junior management, what percentage of the merged entity would comprise of former SCM and KOM staff respectively?**

Once the Proposed Combination is approved, the Company will confer on matters such as this.

It is expected that the Company will conduct a comprehensive strategic business and organisational review and decide on the best way to integrate the two companies, including the management at all levels. The aim will be to unlock synergies while taking into account the needs of the Enlarged Group. Relevant information will be shared in due course.

- Q6. If shareholders vote for the transaction, the number of shares outstanding for the merged entity would be astoundingly high. Would the merged entity be conducting a share consolidation to reduce the number of shares outstanding?**

The question of whether there should be a share consolidation to reduce the number of shares outstanding is a potential matter to be assessed by the new Board and Management of the Company following the completion of the Proposed Combination. If any such corporate action materialises, the Company will disclose information in accordance with the requirements of the SGX Listing Manual.

- Q7. What will be the name of the merged entity? Please explain the meaning and significance behind the new name of the merged entity?**

Whether the Company will be renamed is a decision for the new Board and Management of the Company following the completion of the Proposed Combination. However, a name change requires prior approval from the shareholders of the Company and until such approval is sought at a general meeting, the Company will continue to operate and trade under its current name.