

Corporate Governance

Our principles of corporate governance reflect our heritage and belief in delivering results while building for the future. We believe firmly that the integrity, excellence and commitment in our people supported by a sound system of policies, practices and internal controls are the success elements that will help us create long-term value and returns for our shareholders.

We believe that integrity and professionalism are the cornerstones of our commitment to build a great company which our shareholders, staff, customers, suppliers and other stakeholders can be justifiably proud of. Sound corporate governance is one element of a sound corporation. This is an important requisite for our businesses for their steady growth as a trusted and respected business enterprise.

Corporate governance principles and practices must remain relevant in a changing world. Just as we will be open to new ideas and practices, we will also be disciplined in discarding obsolete or ineffective practices and impractical ideas. This will be an on-going effort to remain lean, relevant and supple, as we evolve with the needs of our business and our people to build a great enterprise and deliver on our promises.

The Report of the Corporate Governance Committee on the Code of Corporate Governance ("Code") dated March 21, 2001, was accepted by the Singapore Government on April 4, 2001. It is now part of the Continuing Obligations of the SGX Listing Manual.

Introduced on July 1, 2002, Clause 710(2) of the new SGX Listing Manual requires that on or after January 1, 2003, an issuer must "describe its corporate governance practices with specific reference to the Code in its annual report. It must disclose any deviation from any aspect of the Code together with an appropriate explanation for such deviation in the annual report".

At the same time, the Code has urged us to adopt a balanced approach by observing **"the spirit and not just blindly follow the letter of the Code..."**

THE CODE

The Code is divided into four main sections:

- a) Board Matters
- b) Remuneration Matters
- c) Accountability and Audit
- d) Communication with Shareholders

Each section is classified into Principles and Guidance Notes. We recognise and support the Principles and spirit of the Code. We note that each company needs to develop and maintain its corporate governance processes to meet the specific needs of its business demands. We note also that the Guidance Notes may serve to flesh out the underlying issues underpinning each of the principles. We intend to manage our company, keeping in focus the substance and spirit of the Principles of the Code.

This Report sets out how our company, SembCorp Industries, has applied the principles of good corporate governance within itself and the SembCorp Group in a disclosure-based regime where the accountability of the board to its shareholders and the management to the board, provides

the framework for achieving a mutually beneficial tripartite relationship aimed at creating and growing sustainable shareholder value.

SembCorp Industries is committed to achieving high standards of corporate conduct and has generally complied with the Principles of the Code. In the following sections covering each of the principles, we have outlined our policies and practices.

A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company.

Our Policy and Practices

An effective board for our listed companies and groups must be constituted with a majority of non-executive directors independent of management, with the right core competencies and diversity of experience to enable them, in their collective wisdom, to contribute effectively.

Every director is expected to act in good faith and always in the interest of the Company.

The key roles of our board are to:

- Guide the corporate strategy and directions of the Group
- Ensure effective management leadership of the highest quality and integrity
- Provide oversight in the proper conduct of the Group's business

The Chairman and Chief Executive Officer are separate persons in order to maintain an effective oversight.

The Board comprises 11 directors of whom 10 are non-executive Directors. The Board's Chairman is Peter Seah Lim Huat. The executive Director is Wong Kok Siew who is the Board's Deputy Chairman and Chief Executive Officer.

The Board comprises business leaders,

professionals with financial backgrounds, a practising lawyer and members of the public sector. Profiles of the Directors are found on page 20 of this Annual Report.

The Board meets to review the key activities and business strategies of the Group. The Board delegates specific responsibilities to board committees described in our Corporate Governance Report for 2002 found in page 18. Regular Board meetings are held quarterly to deliberate strategic policies of the Group, including significant acquisitions and disposals, the annual budget, review the performance of the business and endorse the release of the half-yearly and year-end reports. In addition, the Audit Committee has been delegated the authority by the Board to review and approve the release of half-yearly and full-year results. Where necessary, additional board meetings are also held to address significant transactions or issues. A total of seven board meetings were held in the year.

We believe that contributions from each director can be reflected in ways other than the reporting of attendances of each director at board and committee meetings. A director would have been appointed on the strength of his calibre, experience, stature, and his potential to contribute to the proper guidance of the company and its businesses.

To focus on a director's attendances at formal meetings alone may lead to a narrow view of a director's contributions. It may also not do justice to his contributions which can be in many forms including management's access to him for guidance or exchange of views outside the formal environment of board meetings. In addition, he may bring with him relationships which are strategic to the interests of the Group.

The matrix of the Board members' participation in the various board committees is provided on page 19 of this Report. This reflects each board member's additional

Corporate Governance

responsibilities and special focus on the respective board committees of the Company.

The Board has adopted a set of internal controls which sets out approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories arrangements at board level. Approval sub-limits are also provided at management levels to facilitate operational efficiency.

Changes to regulations and accounting standards are monitored closely by Management. To keep pace with regulatory changes, where these changes have an important bearing on the company's or directors' disclosure obligations, directors are briefed either during board meetings, or at specially-convened sessions conducted by professionals.

Newly-appointed directors are given briefings by the Management on the business activities of the Group and its strategic directions.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individuals or small group of individuals should be allowed to dominate the Board's decision making.

Our Policy and Practices

The majority of our directors are non-executive and independent of management. This enables the Management to benefit from an external and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the role of the Chairman and the Chief Executive Officer provides a healthy professional relationship between the Board and Management with clarity of

roles and robust oversight.

The Board comprises 11 directors, 10 of whom are non-executive directors, independent of management. Of the 10 non-executive directors, nine are independent non-executive directors, who are independent of the principal shareholders.

The Board considers non-executive director, K Shanmugam, an independent non-executive director, although he has a relationship with the Company, falling under Guidance Note 2.1(d) by virtue of his position as a managing partner of Allen & Gledhill rendering professional services to the Company in fees aggregating more than S\$200,000.

Notwithstanding this relationship, the Board assesses him as an independent director due to his manifest ability to exercise strong independent judgement in his deliberations in the interests of the Company.

The Board is supported by key board committees to provide independent oversight of Management. These key committees are the Audit Committee, Executive Resource and Compensation Committee (ERCC) / Nominating Committee and Budget Committee which are made up of independent or non-executive directors or external co-opted members. Other committees can be formed from time to time to look into specific areas as and when the need arises.

Membership in the different committees are carefully managed to ensure that there is equitable distribution of responsibilities among board members, to maximise the effectiveness of the board and foster active participation and contribution from board members. Diversity of experiences and appropriate skills are also considered. There is a need to also ensure that there are appropriate checks and balances between the different committees. Hence, membership of budget/investment/executive committees,

with more involvement in key businesses or executive decisions, and the membership of the Audit Committee with its oversight role, must be mutually exclusive.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's businesses – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Our Policy and Practices

We believe there must be a clear separation of the roles and responsibilities between the Chairman and the CEO of the Company. The Chairman, who is a non-executive, is responsible for the Board and is free to act independently in the best interests of the Company and shareholders while the CEO is responsible for the running of the Company's business. The Chairman ensures that the members of the Board work together with the Management with the capability and moral authority to engage Management in constructive debate on various matters, including strategic issues and business planning processes.

The CEO is a Board member and has full executive responsibilities over the business directions and operational decisions of the Company.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

Our Policy and Practices

We believe that Board renewal must be an on-going process, to ensure good governance and maintain relevance to the

changing needs of the company and business. The CEO, while he is also a board member, must also subject himself to retirement and re-election by shareholders as part of board renewal. Nominations and election of board members are the prerogatives and proper rights of all shareholders.

The Nominating Committee comprises Peter Seah Lim Huat, Goh Geok Ling and K Shanmugam, who are also members of the ERCC. The Nominating Committee is responsible for identifying and selecting new directors. It is appropriate that the members of the Nominating Committee and the ERCC are the same as the ERCC, who, in the course of its search for talent, is in touch with individuals who can be potential director candidates.

Our Articles of Association require one-third of our directors to retire and subject themselves to re-election by shareholders at every Annual General Meeting (AGM) ("one-third rotation rule"). In other words, no director stays in office for more than three years without being re-elected by shareholders.

We had, at our last AGM, also altered our Articles of Association to provide for the CEO board member to be subject to the "one-third rotation rule" as well. This is to separate his role as CEO from his position as a board member, and to enable shareholders to exercise their full rights to select all board members.

In addition, a newly-appointed director will submit himself for retirement and election at the AGM immediately following his appointment. Thereafter, he is subject to the "one-third rotation rule".

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

Our Policy and Practices

We believe that Board performance is ultimately reflected in the performance of the Group. The Board should ensure compliance with applicable laws and board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led. The measure of a board's performance is also tested through its ability to lend support to management especially in times of crisis and to steer the Group in the right direction, including the critical issue of CEO succession.

The financial indicators set out in the Code as guides for the evaluation of directors are in our opinion more of a measure of management's performance and hence are less applicable to directors. In any case, such financial indicators provide a snapshot of a company's performance, and do not fully measure the sustainable long-term wealth and value creation of the Company.

The Board through the delegation of its authority to the Nominating Committee, has used its best efforts to ensure that directors appointed to our board possess the background, experience and knowledge in technology, business, finance and management skills critical to the company's business and that each director with his special contributions brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Informal reviews of a Board's performance are undertaken on a continual basis by the Nominating Committee with inputs from the other Board members and CEO. Renewals or replacement of board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the board in line with the medium term needs of the Company and its business.

Access to Information

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

Our Policy and Practices

We believe that the Board should be provided with timely and complete information prior to board meetings and as and when the need arises. New Board members are fully briefed on the businesses of the Group.

The Management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as on-going reports relating to operational and financial performance of the Group. The Articles of Association of the Company provide for directors to convene meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and videoconferencing. Alternatively, Management will arrange to personally meet and brief each director before seeking the Board's approval.

The Board has separate and independent access to the senior management and the Company Secretary at all times. The Board also has access to independent professional advice where appropriate.

Likewise, the Audit Committee must also meet the external and internal auditors separately at least once a year, without the presence of the CEO and other senior management members, in order to have free and unfiltered access to information that it may require.

Corporate Governance

B) REMUNERATION MATTERS

Procedures for Developing

Remuneration Policies

Principle 7: There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.

Our Policy and Practices

We believe that a framework of remuneration for the board and key executives should not be taken in isolation. It should be linked to the development of management bench strength and key executives to ensure that there is a continual development of talent and renewal of strong and sound leadership for the continued success of the business and the company. For this reason, the members of the ERCC and the Nominating Committee are the same as highlighted in our Policy and Practices under Principle 4.

The ERCC performs the role of the Remuneration Committee. All the members of the ERCC are independent of management. From time to time, we may co-opt an outside member into the ERCC to provide a global perspective of talent management and remuneration practices.

The ERCC conducts, on an annual basis, a succession planning review of the CEO, all his direct reports, and selected key positions

in the Company. Potential internal and external candidates for succession are reviewed for different time horizons of immediate, medium-term and longer-term needs.

The ERCC reviews the remuneration of its non-executive directors, executive director and senior executives, as well as major human resource management and compensation policies and practices for the rest of the Group.

The ERCC is chaired by Peter Seah Lim Huat, a non-executive director who is independent of management, and comprises two independent non-executive directors. There are no management members on the ERCC.

While the Chairman of the ERCC is not regarded as independent within the context of the definition of "independence" in the Code, he is a non-executive director independent of Management with a clear separation of his role from Management in deliberations of the ERCC. The ERCC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The CEO is not present during the discussions relating to his own compensation, and terms and conditions of service, and the review of his performance. The CEO will be in attendance when the ERCC takes through the discussions on policies and compensations of his senior team and key staff, as well as major compensation and incentive policies such as share options, stock purchase schemes, framework for bonus, staff salaries and other incentive schemes.

The ERCC's scope of responsibilities include:

- Overseeing the development of leadership and management talent in the Group
- Ensuring that companies in the Group have appropriate remuneration policies

- Designing a compensation package with a view of providing competitive packages but with focus on long-term sustainability of business and long-term shareholders' return

The ERCC meets among its members without the presence of Management, at least once a year.

The Deputy Chairman & CEO, as executive director, does not receive director's fees. He is a lead member of Management. His compensation consists of his salary, allowances, bonuses, performance share awards conditional upon his meeting certain performance targets (details are available on page 191 of the Annual Report) and options. Details on share options granted and its fair value are available on pages 75 to 77 and page 89 of the Annual Report, respectively.

Non-executive Directors have remuneration packages which consist of a directors' fee component pursuant to the Company's Directors' Fee policy, an attendance fee component and a share options component pursuant to the Company's Employee Share Option Plan. The Directors' Fee policy is based on a scale of fees divided into basic retainer fees as director and additional fees for attendance and serving on board committees (details are available on page 191 of the Annual Report). Details on share options granted and its fair value are available on pages 78 to 85 and page 89 of the Annual Report, respectively.

The basis of allocation of the number of share options takes into account a director's contributions and additional responsibilities at board committees and other board appointments at the subsidiary level. The report on Directors' Remuneration is found on page 191 of the Annual Report.

Rather than set out the names of the top key executives who are not also directors of the Company, we have shown the number of key employees in remuneration bands of

S\$250,000, from S\$100,000 onwards, of the five key businesses' President & CEOs, President & CEOs of Industrial Parks and Hotels, Group COO and Group CFO on page 19 of the Annual Report. This should give a macro perspective of the remuneration pattern in the Group, while maintaining the confidentiality of staff remuneration matters.

The Company adopts an incentive compensation plan which ties to the creation of economic value add ("EVA"), as well as to attainment of individual performance goals for its key executives. Individual's incentive compensation is linked to the EVA created by the Group and its subsidiaries.

A "bonus bank" is used to hold incentive compensation credited in any year. Typically, one-third of the available balance is paid out in cash each year. With the balance being 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 and subsidiary.

The Board has decided not to prepare a separate Remuneration Report as most of the information is found in the Directors' Report. We have indicated in this Report where the information required to be disclosed can be found.

C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board is accountable to the shareholders while the Management is accountable to the Board.

Our Policy and Practices

We have always believed that we should conduct ourselves in ways that deliver maximum sustainable value to our shareholders. We promote best practices as a means to build an excellent business for our shareholders. We are accountable to shareholders for the company/group's performance.

Prompt fulfillment of statutory reporting requirements is but one way of maintaining

shareholders' confidence and trust in our capabilities and integrity.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Our Policy and Practices

Our internal policy requires the Audit Committee to have at least three members (preferably four), all of whom shall be non-executive and independent of both management and principal shareholder(s).

The Audit Committee ("AC") consists of three directors all of whom are independent directors. The members bring with them the required expertise in the financial and accounting domains. The AC has a set of Terms of Reference defining its scope of authority which includes reviews of the annual audit plan, internal audit process, the adequacy of internal controls, Interested Party Transactions for which there is a shareholders' mandate renewable annually. The AC reviews and endorses the half-yearly and annual financial statements and the appointment and re-appointment of auditors before recommending them to the Board for approval.

The AC meets with the external and internal auditors, without the presence of management, at least once a year to review the previous financial year's results.

The report of the AC proceedings in 2002 is found in pages 18 and 93 of the Annual Report.

Internal Controls

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard shareholders' investments and the company's assets.

Internal Audit

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

Our Policy and Practices

We believe in the need to put in place a system of internal controls of the Group's procedures and processes to safeguard shareholders' interests and the company's assets, and to manage risks. Apart from the AC, other board committees may be set up from time to time to address specific issues or risks.

The internal audit function of the Group is supported by the Group Internal Audit Department (GIA). GIA directly reports to the AC Chairman on audit matters and administratively to the CEO, and is staffed by a director, professionals and administrative support personnel. GIA plans its internal audit schedules in consultation with, but independent of Management, and its plan is submitted to the AC for approval at the beginning of each year. The AC must also meet with the GIA team at least once a year without the presence of management.

In carrying out its audit with due professional care, GIA subscribes to, and is guided by the Standards for the Professional Practice of Internal Auditing ("Standards") developed by the Institute of Internal Auditors (IIA).

The Standards set by the IIA cover requirements in respect of the following:

- Independence
- Professional Proficiency
- Scope of Work
- Performance of Audit Work
- Management of the Internal Auditing Department

To ensure that the internal audits are performed by competent professionals, GIA recruits and employs suitably qualified staff. In order that their technical knowledge remains current and relevant, GIA identifies and provides training and development opportunities to the staff. In summary, the internal audit function provided by GIA meets with the standards set by the IIA.

Corporate Governance

D) COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with their shareholders.

Greater Shareholder Participation

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Our Policy and Practices

We believe in conveying accurate and timely information to our shareholders. In disseminating material information, we take care to ensure that the information is made publicly available on a timely and non-selective basis to all shareholders.

SembCorp Industries has received several awards including Most Transparent Company Award 2002 (Runners Up in the Multi Industry / Conglomerates Category) for the third consecutive year and The Business Times' Corporate Transparency Index (6th placing). The Company was also in the top ten list of Asiamoney's Best Managed Companies 2001 (10th placing) following a 16th placing in 2000, as well as Asiamoney's Best Investor Relations 2001 (8th placing).

SembCorp Industries' Group Corporate Relations department manages investor relations. Information is available to every shareholder on request including via the internet, and a series of events is planned during the year to brief the media and investment analysts on the Group's performance including company and field visits. SembCorp Industries participates in international investor conferences and also organises roadshows to keep international investors updated.

During the release of the respective half-yearly and full-year results, the announcement is first released by MASNET

onto the SGX website to ensure that there is fair disclosure of information. Thereafter, the press and investment analysts meet with the Management for a briefing. All materials used at the briefing are released by MASNET onto the SGX website and are available on the Company website. Videoconferences or teleconferences are also set up to enable international investors access to Management for further clarification and update.

We support the Code's principle to encourage greater shareholder participation. Voting in absentia and by email may only be possible following careful study to ensure that the integrity of the information and authentication of the identities of shareholders through the web are not compromised and legislative changes are being put in place to recognise electronic voting.

REPORT ON CORPORATE GOVERNANCE PROCESSES AND ACTIVITIES FOR YEAR 2002

THE BOARD OF DIRECTORS

Currently, the Board comprises 11 directors of whom 10 are independent of management. The Board meets regularly throughout the year and during the year under review, they met seven times to review and monitor the Company's financial position and operations. To give effect to the efficient discharge of its responsibilities, the Board has established a number of Board Committees, including an Executive Committee, Audit Committee, Executive Resources & Compensation Committee/ Nominating Committee and Budget Committee.

THE EXECUTIVE COMMITTEE

The Executive Committee provides overall strategic direction to the management and guides development policies and strategies for the Group. It reviews and approves major investments recommended by Management and recommends larger

investments to the Board. The Committee also reviews and monitors the financial performance and progress of the Group.

The Executive Committee is chaired by Peter Seah Lim Huat and its members are Wong Kok Siew and Goh Geok Ling. It generally meets once a month.

THE AUDIT COMMITTEE

The AC consists of all independent directors, comprising Lua Cheng Eng as Chairman, K Shanmugam and Richard Hale OBE. During the year under review, the Committee held five meetings.

The main responsibility of the AC is to review with the external auditor, internal auditor and Management, the Company's general policies and control procedures, interested persons transactions, as well as any financial information presented to shareholders. It ensures the adequacy of internal accounting controls and financial reporting controls. The AC may direct matters to be included for special review by the external and internal auditors. It may, as necessary, discuss other matters that the Committee or auditors may wish to bring up. The Committee also recommends the appointment or re-appointment of external auditors.

Upon SGX's announcement of its amended Listing Rule 1207(6) which takes effect from January 3, 2003, the Management is instituting a process whereby it will review the non-audit services provided by its auditors to the Group, excluding its listed subsidiaries SembCorp Logistics and SembCorp Marine, who have their respective audit committees.

The AC will conduct a review to satisfy itself that these non-audit services provided by the Company's auditors would not affect their independence as auditors of the Group.

The AC will have at least one meeting a year with external and internal auditors without the presence of Management.

THE EXECUTIVE RESOURCE & COMPENSATION COMMITTEE

The Executive Resource & Compensation Committee (ERCC) is chaired by Peter Seah Lim Huat and its members are Goh Geok Ling and K Shanmugam. The ERCC oversees executive compensation and development with the aim of building capable and committed senior management through focused management and progressive policies which can attract, motivate and retain talented executives to meet the current and future needs of the company.

The ERCC met three times during the year to review and approve remuneration and promotion of key executives as well as to decide on issues pertaining to their development and succession. The Committee also establishes guidelines on share options and other long-term incentives plans and approves the grant of such incentives to key executives. The total compensation package, including equity options is designed to reward executives taking into account both the Company's performance and the individual's performance. The underlying philosophy is

to motivate executives to maximise financial returns and shareholder value.

NOMINATING COMMITTEE

The Nominating Committee is chaired by Peter Seah Lim Huat and its members are Goh Geok Ling and K Shanmugam.

The primary purpose of the Nominating Committee is to support and advise the Company, its unlisted subsidiaries and, where applicable, unlisted associated companies by nominating to these Boards suitable candidates who are best able to discharge their responsibilities as directors having regard to the law and the high standards of governance practised by the Group. In particular, the Nominating Committee recommends candidates who can add value to the management through their contributions in the relevant strategic business areas, and whose appointments will result in the constitution of strong and diverse boards.

BUDGET COMMITTEE

The Budget Committee comprises Lam Chuan Leong as Chairman, Tay Siew Choon

as Deputy Chairman and Wong Kok Siew as a member. The Committee met twice during the year.

The Budget Committee implemented a planning cycle focusing on different initiatives in each quarter. Activities involved the quarterly and half-yearly review of financial results in relation to the budget, strategic initiatives and a five-year outlook of each main subsidiary, as well as the annual budget process.

DEALINGS IN SECURITIES

The Company has adopted a Code of Compliance on Dealing in Securities, which prohibit dealings in the Company's securities by its officers during the period commencing one month prior to the announcement of the Company's half-yearly or full-year results. Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

BOARD COMPOSITION AND COMMITTEES

Board Members	Executive Committee	Audit Committee	Executive Resource & Compensation Committee/ Nominating Committee*	Budget Committee
Peter Seah Lim Huat	Chairman		Chairman	
Wong Kok Siew	Member			Member
Tay Siew Choon				Deputy Chairman
Lua Cheng Eng		Chairman		
K Shanmugam		Member	Member	
Lam Chuan Leong				Chairman
Tetsuro Kawakami				
Chumpol NaLamlieng				
Goh Geok Ling	Member		Member	
Richard Hale OBE		Member		

*The members of the Executive Resource and Compensation Committee and the Nominating Committee are the same.

REMUNERATION BAND FOR KEY EXECUTIVES

Remuneration Band	No. of employees
1,500,000 to 1,749,999	1
1,250,000 to 1,499,999	–
1,000,000 to 1,249,999	2
750,000 to 999,999	1
500,000 to 749,999	3
250,000 to 499,999	–
100,000 to 249,999	2