

CORPORATE GOVERNANCE

Sembcorp's corporate governance principles are built on the core value of integrity, and reflect our commitment to protect and enhance shareholder value.

Under the guidance of its Board, Sembcorp is committed to achieving high standards of corporate governance to protect shareholder value. The company recognises the important role that well-defined corporate governance processes play in enhancing corporate accountability and sustainability.

This report outlines the company's corporate governance processes and activities for the financial year with reference to the principles set out in the Singapore Code of Corporate Governance 2005 (Code) and deviations from the Code are explained.

BOARD OF DIRECTORS

Effective Board to lead and effect controls (Principle 1)

The core responsibility of the directors is to exercise their judgement to act in what they reasonably believe to be the best interests of the company for the creation of long-term value and returns for shareholders.

The Board is responsible to oversee the Group's overall performance objectives, financial plans and annual budget, major investments, divestment and funding proposals, financial performance reviews, risk management and corporate governance practices.

To ensure the efficient discharge of its responsibilities and to provide independent oversight of Management, the Board has established a number of board committees, including the Executive Committee, Audit Committee, Executive Resource & Compensation Committee, Nominating Committee and Risk Committee. These committees are primarily made up of independent and/or non-executive directors. The respective roles

and responsibilities of each board committee are included in this report. Special purpose committees are established as and when a need arises.

The composition of the board committees is structured to ensure an equitable distribution of responsibilities among Board Members, maximise the effectiveness of the Board and foster active participation and contribution. Diversity of experience and appropriate skills are considered along with the need to maintain appropriate checks and balances between the different committees. Hence, membership of the Executive Committee (ExCo), with its greater involvement in key business and executive decisions, and membership of the Audit and Risk Committees, with their respective oversight roles, is mutually exclusive.

Board meetings are held on a quarterly basis to review and approve the release of the quarterly results and discuss reports by Management on the performance of the Group, its plans and prospects. A board meeting is also held at the end of each financial year to consider and approve the Group's annual budget for the following year. Additional board meetings are also held to specifically consider other issues arising during the year. A total of seven board meetings were held in 2007, with an average of 94.64% Board attendance. To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. Contributions from each director may be made in many forms, such as bringing strategic relationships to the Group and providing guidance to Management or exchange of views outside the formal environment of

the Board or board committee meetings. The Board members are free to discuss and voice their concerns on proposals that are raised for the Board's consideration and approval. Telephonic attendance and conference via audio-visual communication at board meetings are allowed under the company's Articles of Association.

The Group has adopted a set of internal controls and guidelines that set out financial authorisation and approval limits for borrowings, including off balance sheet commitments, investments, acquisitions, disposals, capital and operating expenditures, requisitions and expenses. Under the financial authorisation and approval limits, approval sub-limits are provided at Management levels to facilitate operational efficiency. Approval of the ExCo or Board is required where the value of a transaction exceeds certain financial thresholds. The ExCo comprises Peter Seah Lim Huat as Chairman, and its Members are Goh Geok Ling and Tang Kin Fei, who joined the committee on May 23, 2007. It held four meetings in the year with the full attendance of its members.

The ExCo reviews and approves business opportunities, strategic investments, capital and operating expenditures and divestments, within the limits of authority delegated by the Board, evaluates and recommends larger investments, capital and operating expenditures and divestments to the Board for approval. Directors are briefed on changes to regulations and accounting standards from time to time either during board meetings or at specially-convened sessions, including training sessions and seminars conducted by external professionals.

The company also sponsors its directors to attend training courses and seminars on topics, such as additions or changes in laws, regulations and accounting standards, that are relevant to the Group.

Newly-appointed directors are given comprehensive presentations by Management on the strategic direction and business activities of the Group. A formal letter is sent to newly-appointed directors upon their appointment explaining the governance policies and practices of the Group and their duties and obligations as director. Facility visits to our subsidiaries' premises are also arranged to enable the newly-appointed directors

to acquire an understanding of the Group's business operations. Existing directors are also invited to participate in such facility visits and orientation programmes. In November 2007, a facility visit to Teesside, UK, was conducted in conjunction with the official opening of the Sembcorp Biomass Power Station at Teesside.

Strong and independent Board exercising objective judgement (Principle 2)

The current Board comprises eight directors, six of whom are non-executive independent directors. The Board's non-executive Chairman is Mr Seah. Mr Tang, who is the Group President & CEO, is the sole executive director. Objectivity on issues deliberated by the Board is assured given that the majority of the Board comprises non-executive directors who are independent of Management and independent in terms of character and judgement.

The Nominating Committee (NC) ensures that the Board is the appropriate size and comprises members with a balance of skill and experience. The NC takes care to ensure that appointees have enough time available to devote to their directorship roles. The Board Members comprise business leaders, professionals with financial backgrounds, practicing lawyers and a member of the public sector. Profiles of the Directors are found on page 62 to 63.

Through the delegation of its authority to the NC, the Board has applied its best efforts to ensure that the directors appointed possess the background, experience and knowledge in business, finance, legal, related industry and management skills critical to the company's businesses. Best efforts have also been made to ensure that, in addition to his special contribution, each director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The Board considers K Shanmugam and Lee Suet Fern, both non-executive directors, as independent non-executive directors, although they are related to the company by virtue of their positions in law firms rendering professional services to the Group. Notwithstanding this, the Board assesses them to be independent

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directors due to their manifest ability to exercise strong independent judgement in their deliberations and act in the best interests of the company.

Chairman and Chief Executive Officer (Principle 3)

To ensure an appropriate balance of power and authority such that no one individual represents a considerable concentration of power, the roles of Chairman and Group President & CEO are separate. The Chairman, Mr Seah, and the Group President & CEO, Mr Tang, are not related to each other.

The Chairman, who is non-executive, leads and ensures active and comprehensive Board discussions on matters brought to the Board and monitors the translation of the Board's decisions into executive action. Meanwhile, the Group President & CEO executes the Board's decisions and is responsible for implementing the Group's strategies and policies and the conduct of the Group's business.

Formal appointment and re-election of directors (Principle 4)

Sembcorp Industries' Board is periodically renewed to ensure strong, independent and sound leadership for the continued success of the company and its businesses. The Board also recognises the contribution of directors who, over time, have developed deep insights into the Group's businesses. As such, the Board would exercise

its discretion to retain the services of such directors.

The company subscribes to the principle that all directors including the Group President & CEO should retire and submit themselves for re-election at regular intervals, subject to continued satisfactory performance. The company's Articles of Association require one-third of directors to retire and subject themselves to re-election by shareholders at every Annual General Meeting (AGM) (one-third rotation rule).

Prior to seeking shareholders' approval at the AGM, the NC reviews and considers the retirement and re-election of directors. In addition, a newly-appointed director submits himself for retirement and election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

Every year, the NC reviews the independence of directors. The directors are required to complete and return a Director's Independence Questionnaire for review by the NC, which then assesses the independence of each director based on the criteria in the Code.

The NC supports and advises the company by nominating suitable board candidates to maintain the Board's balance of skills, knowledge and experience. Appointments to the board are made on merit and against objective criteria. Candidates must be able to discharge their responsibilities as directors while upholding the highest standards of governance practiced by the Group. The NC takes care to ensure that

BOARD MEMBERS FOR 2007

Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as director	Nature of appointment
Peter Seah Lim Huat	Chairman	July 29, 1998	April 23, 2007	Non-executive/Non-independent
Tang Kin Fei	Director	May 1, 2005	April 27, 2006*	Executive/Non-independent
K Shanmugam	Director	July 29, 1998	April 27, 2006*	Non-executive/Independent
Goh Geok Ling	Director	May 3, 2000	April 27, 2006*	Non-executive/Independent
Richard Hale, OBE	Director	Sept 1, 2000	April 27, 2006	Non-executive/Independent
Yong Ying-I	Director	May 26, 2003	April 23, 2007	Non-executive/Independent
Evert Henkes	Director	April 30, 2004	April 23, 2007	Non-executive/Independent
Lee Suet Fern	Director	July 1, 2005	April 27, 2006	Non-executive/Independent

* Up for re-election at AGM

appointees have enough time available to devote to their directorship roles.

The NC, which met twice in 2007 with the full attendance of its members, is chaired by Mr Seah and its members are Mr Shanmugam and Mr Goh. The NC Chairman is regarded as non-independent with reference to the definition of "independence" under the Code and is associated with a substantial shareholder by virtue of his position on the Advisory Panel of Temasek Holdings, a substantial shareholder of the company. Notwithstanding this, the Board believes that the NC Chairman's ability to exercise strong independent judgement in his deliberations and act in the best interests of the company is not compromised, as his appointment on the Advisory Panel of Temasek Holdings is non-executive in nature and he is not involved in the day-to-day conduct of Temasek Holdings' business.

Pursuant to the one-third rotation rule, Mr Shanmugam, Mr Goh and Mr Tang will each submit themselves for retirement and subject to re-election by the shareholders at the forthcoming AGM.

BOARD PERFORMANCE AND CONDUCT OF ITS AFFAIRS

Active participation and valuable contributions are key to overall effectiveness of the Board (Principle 5)

Each year, informal assessment of the Board's performance is undertaken by the NC with inputs from the other Board Members and the Group President & CEO. During the financial year, to enhance our corporate governance practice, a yearly exercise was introduced to obtain feedback from each Director on the effectiveness of the Board as a whole. Directors completed a questionnaire which focused on factors such as the size and composition of the Board, the Board's access to information, board processes and accountability as well as board performance in relation to communication with senior management. Feedback from the questionnaire was subsequently discussed at a board meeting, and was used to highlight areas of strength and weakness for the future development of the Board and its committees as well as to further improve their performance.

The NC feels that the financial indicators set out in

the Code as guides for the evaluation of directors are more a measure of the Management's performance and therefore are less applicable to directors. The NC believes that board performance is ultimately reflected in the long-term performance of the Group.

FULL ACCESS TO INFORMATION AND RESOURCES

Directors have complete, adequate and timely information and resources (Principle 6)

The Management provides adequate management and operation reports and financial statements of the Group to the Board on a regular basis. As a general rule, Board and Board Committee papers are sent to Directors at least three working days before each meeting so that the Directors may better understand the matters prior to the meeting and discussions may be focused on questions that the Board or Committee has on the matters. Senior management who can provide insight into the matters at hand would be present at the relevant time during the meetings.

Quarterly financial highlights of the Sembcorp Group's performance and key developments are presented at board meetings. The Group President & CEO, Group Chief Financial Officer and senior management are also present to address any queries which the Board may have. The Company Secretary assists the Board with the preparation of meeting agenda and administers, attends and prepares minutes of Board proceedings, ensuring good information flow within the Board and its committees. She also assists the Board on the compliance of the Group with the Memorandum and Articles of Association, laws and regulations, including requirements of the Companies Act, Securities Futures Act and the SGX-ST. She liaises with the SGX-ST, the Accounting and Corporate Regulatory Authority and when necessary, shareholders. The Management also assists the Board to implement and strengthen good corporate governance practices and processes across the Group.

The Board has separate and independent access to the Group President & CEO, senior management, Company Secretary and internal and external auditors at all times. Directors are also provided with the

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BOARD AND COMMITTEE COMPOSITION FOR 2007

Board Member	Executive Committee	Audit Committee	Executive Resource & Compensation Committee	Nominating Committee	Risk Committee
Peter Seah Lim Huat	Chairman		Chairman	Chairman	
Tang Kin Fei	Member [^]				
K Shanmugam		Member	Member	Member	Member
Goh Geok Ling	Member		Member	Member	
Richard Hale, OBE		Chairman			Chairman
Yong Ying-I		Member			Member
Evert Henkes					
Lee Suet Fern		Member			Member

[^] Appointed as a member of ExCo on May 23, 2007

names and contact details of the company's senior management to facilitate direct access to them. The Board exercises its discretion to seek independent professional advice if deemed necessary to ensure that full information and advice is available before important decisions are made.

COMPETITIVE REMUNERATION SYSTEM

Remuneration of directors adequate and not excessive (Principle 7)

The Executive Resource & Compensation Committee (ERCC) is chaired by Mr Seah and its members are Mr Goh and Mr Shanmugam. It held two meetings in the year with the full attendance of its members. The ERCC is responsible for ensuring a formal procedure for developing and reviewing policies on compensation and development of the Group's senior management. It assists the Board to ensure that competitive remuneration policies and practices are in place to attract, motivate and retain talented executives. The ERCC also reviews the remuneration of the non-executive directors and executive director.

The ERCC reviews succession planning for key positions in the Group and the leadership pipeline for the organisation. It reviews the development of its senior staff and assesses their strengths and development needs based on the Group's leadership competencies framework with the aim of building

talent and renewing strong and sound leadership to ensure the success of the Group. The ERCC conducts a succession planning review of the Group President & CEO, all of his direct reports and selected key positions in the company on an annual basis. Potential internal and external candidates for succession are reviewed for different time horizons of immediate, medium-term and long-term needs.

The ERCC also establishes guidelines on share-based incentives and other long-term incentive plans and approves the grant of such incentives to key executives. The underlying philosophy is to motivate executives to maximise operating and financial performance and shareholder value as well as to align the interests of the executives and shareholders.

The ERCC has access to expert professional advice on human resource matters whenever there is a need for such external consultations. In its deliberations, the ERCC takes into consideration industry practices and norms of compensation. The Group President & CEO is not present during the discussions relating to his own compensation, terms and conditions of service, or the review of his performance.

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. No ERCC member or any director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to himself.

Competitive reward system to ensure highest performance and retention of best talents and key executives (Principle 8)

Sembcorp believes that a competitive remuneration and reward system based on individual performance is important in order to retain and incentivise the best talents. Sembcorp's remuneration and reward system is also responsive to the economic climate as well as the performance of the Group and its business units.

The Group President & CEO, as an executive director, does not receive director's fees. As a lead member of Management, his compensation consists of his salary, allowances, bonuses and share-based incentives conditional upon meeting certain performance targets. Details on the share-based incentives and the performance targets are available in the Directors' Report and Note 4 in the Notes to the Financial Statements.

Non-executive directors have remuneration packages that consist of a director's fee component pursuant to the company's Directors' Fee Policy, an attendance fee component and a share-based incentives component pursuant to the company's Employee Share Plan. The company does not have a retirement remuneration plan for non-executive directors. The Directors' Fee Policy is based on a scale of fees divided into basic retainer fees and additional fees for attendance and service on board committees. The basis of allocation of the share-based incentives takes into account a director's contribution and additional responsibilities on Board Committees. Details on share-based incentives granted to the non-executive directors and their fair value are available in the Directors' Report and Note 4 in the Notes to the Financial Statements.

Key executives are rewarded based on actual performance relative to pre-agreed performance targets, which include financial and non-financial performance indicators such as economic value added (EVA), total shareholder return and promoting and maintaining

health, safety and environment issues. The Group believes that the current reward systems are in line with market norms and formulated to motivate executives to give their best to the Group. Rewards include long-term share-based incentives, which would further ensure the retention of the most talented and high performing executives in the Group. In view of evolving practices at major public listed companies and to enhance linkages between employee performance and long-term shareholder value creation, a review of the Group's share-based incentives was carried out in 2005. Following this review, the company ceased to grant new share options in 2007. Instead, employees were awarded restricted stocks under the restricted stock plan. For further details on the share-based incentives and performance targets please refer to the Directors' Report and Note 4 in the Notes to the Financial Statements.

The Group has an incentive compensation plan for key executives that is tied to the creation of EVA as well as to the attainment of individual and Group performance goals. 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 its subsidiaries.

Disclosure on remuneration (Principle 9)

To retain and motivate high calibre directors from Singapore and overseas to help the Group particularly in its overseas expansion, the company needs to compensate its directors in keeping with international standards. This is reviewed regularly. The Directors' fees are subject to the approval of shareholders at the AGM. The report on directors' remuneration is found in the related item under the Supplementary Information section of this report.

The Directors' fees totalled S\$777,000 in 2007 (as compared to S\$895,332 in 2006) and were derived using the following rates:

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DIRECTORS' FEES BY TYPE OF APPOINTMENT

S\$

Board of Directors

■ Basic fee	50,000
■ Chairman's allowance	45,000
■ Vice Chairman's allowance	25,000

Executive Committee

■ Chairman's allowance	40,000
■ Member's allowance	25,000

Audit Committee

■ Chairman's allowance	40,000
■ Member's allowance	25,000

Executive Resource & Compensation Committee/ Nominating Committee

■ Chairman's allowance	25,000
■ Member's allowance	15,000

Risk Committee

■ Chairman's allowance	25,000
■ Member's allowance	15,000

Notes:

Tang Kin Fei, as an executive director, did not receive director's fees.

Yong Ying-I, as a public sector nominee, received a reduced allowance for her directorship and membership of the Board and Audit and Risk Committees.

The Executive Resource & Compensation Committee and the Nominating Committee have the same members, who receive one payment for service on both committees.

The Directors also receive attendance fees of S\$2,000 (in-country) and S\$10,000 (out-country) for each board meeting; and S\$1,000 (in-country) and S\$10,000 (out-country) for each committee meeting.

With respect to executive remuneration, rather than setting out the names of the top key executives who are not directors of the company, the remuneration table shows the number of key executives in remuneration bands of S\$250,000 from S\$100,000 upwards. These key executives are the CEOs of the subsidiaries, namely Sembcorp Marine and Sembcorp Environmental Management, as well as the Executive Chairman of Sembcorp Industrial Parks (formerly known as Sembcorp Parks Holdings), Executive Vice Presidents of Sembcorp Utilities and Sembcorp Utilities (UK), the Group Chief

Financial Officer and the Executive Vice Presidents for Group Business & Strategic Development and Group Performance Management & Group Mergers & Acquisitions. This gives a macro perspective of the remuneration profile in the Group while maintaining the confidentiality of staff remuneration.

REMUNERATION BANDS FOR KEY EXECUTIVES

Remuneration band (S\$)	No. of employees
1,750,000 and above	4
1,500,000 to 1,749,999	–
1,250,000 to 1,499,999	–
1,000,000 to 1,249,999	–
750,000 to 999,999	3
500,000 to 749,999	–
250,000 to 499,999	1
100,000 to 249,999	–

The Board is accountable to the shareholders (Principle 10)

Sembcorp is committed to open and honest communication with shareholders at all times. Shareholders are provided with quarterly and annual financial reports in a timely manner that gives shareholders a balanced and understandable assessment of the company's performance and prospect.

During the financial year, in line with stock exchange requirements, negative assurance statements were issued by the Board to accompany its quarterly financial results announcement, confirming that, to the best of its knowledge, nothing had come to the attention of the Board which would render the company's quarterly results to be false or misleading.

Audit Committee (Principle 11)

The Audit Committee (AC) comprises four independent directors and is chaired by Richard Hale, OBE. The other members are Mr Shanmugam, Mrs Lee and Yong Ying-I. During the year, the AC held six meetings and achieved an average of 79.17% attendance. All members of the AC participated actively at meetings

either by attendance or through teleconferencing.

The AC assists the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices of the Group.

The main responsibilities of the AC are to review the company's policies and control procedures with the external auditors, internal auditors and Management and act in the interest of the shareholders in respect of interested person transactions as well as any matters or issues that affect the performance of the Group. The AC reviews the quarterly, half-yearly and annual result announcements as well as the financial statements of the Group and company before they are submitted to the Board for approval.

Annually, the AC also reviews and recommends the appointment of the company's external auditors. The AC meets the external and internal auditors at least once a year without the presence of Management.

The AC has the authority to investigate any matter within its terms of reference. It has full access to Management and received their co-operation in the year.

Having reviewed the nature and extent of non-audit services provided by the external auditors to the Group for the year – excluding Sembcorp Marine, a listed subsidiary that has its own audit committee – the AC is satisfied that the provision of non-audit services by the external auditors did not impair their independence as external auditors. Details of the non-audit fees payable to the external auditors are found in Note 35(b) in the Notes to the Financial Statements.

The AC also oversees the Group's whistle-blowing policy. For more information on the whistle-blowing policy, please refer to pages 81 and 93.

Internal control and risk management (Principle 12)

The Board and Management of the company are fully committed to a robust system of internal controls and risk management.

The Risk Committee (RC) is chaired by Mr Hale, OBE and includes independent directors, Mr Shanmugam, Mrs Lee and Ms Yong as members. The primary role and function of the RC is to assist the Board in fulfilling its oversight responsibility of risk management by

reviewing the adequacy and effectiveness of the risk management plans, systems, processes and procedures of the Group; the Group-wide risk policies, guidelines and limits and the risk portfolio and risk levels including the treatment of identified risks.

The RC held three meetings in 2007 and achieved an average of 83.33% attendance.

For more information on the progress of the company's Enterprise Risk Management system, please refer to page 80.

INTERNAL AUDIT

Independent internal audit function (Principle 13)

The internal audit function of the Group is provided by the Group Internal Audit department (GIA), which reports directly to the AC Chairman on audit matters and to the Group President & CEO on administrative matters.

GIA adopts a risk-based methodology in defining its annual internal audit plan, which is reviewed and approved by the AC. The internal audits performed are aimed at assisting the Board and Management in the discharge of their corporate governance responsibilities as well as improving and promoting effective and efficient business processes within the Group. To ensure that the internal audits are performed by competent professionals, GIA employs qualified staff and identifies and provides training and development opportunities for them so that their technical knowledge remains current and relevant. GIA is guided by the standards for the professional practice of internal auditing developed by the Institute of Internal Audit Inc. and has incorporated these standards into its audit practices.

The Board has been kept informed of the AC's review of Internal Audit's reports and the management controls in place and is satisfied on the adequacy of the internal controls in the Group.

WHISTLE-BLOWING POLICY

The Group has put in place a whistle-blowing policy and procedures which provide employees with accessible channels to the Internal Audit for reporting suspected fraud, corruption, dishonest practices or other similar

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matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

COMMUNICATION WITH SHAREHOLDERS

Regular, effective and equal treatment of shareholders (Principle 14)

All Sembcorp Industries' price-sensitive information is disseminated to its shareholders via SGXNET in a timely manner and on a non-selective basis. Financial and other performance data is given for the Group as well as for business units, where appropriate, to give shareholders a better insight into the Group's performance. The date of the release of quarterly results is disclosed two weeks prior to the date of announcement through SGXNET. Then, for the release of financial statements, the press release of the results announcement is first released by SGXNET onto the SGX-ST website. Thereafter, a briefing or teleconference by Management is jointly held for the media and analysts. All materials used at the briefing, including the presentation slides, are made available on SGXNET as well as on the company website at www.sembcorp.com.

Following the release of financial statements or price-sensitive developments, investor relations officers are available by e-mail or telephone to answer questions from shareholders and the media as long as the information requested does not conflict with the SGX-ST's rules of fair disclosure.

Greater shareholder participation at General Meetings (Principle 15)

The company encourages shareholder participation at general meetings. Information on shareholder meetings is disseminated through notices published in local newspapers as well as through reports or circulars sent to all shareholders. All registered shareholders are invited to participate in shareholder meetings.

The company's Articles of Association allow all shareholders the same right to appoint up to two proxies to attend and vote on the behalf of the shareholders.

The company also allows CPF investors to attend general meetings as observers.

Voting in absentia by mail, facsimile or e-mail is currently not allowed as such voting methods would need to be cautiously evaluated for feasibility to ensure that there is no compromise to the integrity of the information and the authentication of the shareholders' identity.

At General Meetings, the Board and Management are present to address questions from shareholders. The external auditors are also present to assist the Board. Minutes of shareholder meetings are available on request for registered shareholders.

For further details on Sembcorp Industries' communications with its shareholders, see the Investor Relations section on page 86.

DEALINGS IN SECURITIES

The company has adopted a Code of Compliance on Dealing in Securities, which prohibits dealings in the company's securities by its directors and senior management for two weeks prior to the announcement of the company's quarterly results. Directors and employees are also expected to observe insider trading laws at all times even when dealing in the company's securities within the permitted trading period.

INTERESTED PERSON TRANSACTIONS

Shareholders have adopted an Interested Person Transaction (IPT) Mandate in respect of interested person transactions of the company. The IPT Mandate defines the levels and procedures to obtain approval for such transactions. Information regarding the IPT Mandate is available on the company's website, www.sembcorp.com. All SBUs are required to be familiar with the IPT Mandate and report any such transaction to the company. The Group Reporting and Policies Department maintains a register of the company's interested person transactions in accordance with the reporting requirements stipulated by Chapter 9 of the SGX-ST Listing Manual. Information on interested person transactions for 2007 may be found in the related item under the Supplementary Information section of this report.



Sembcorp's high salinity wastewater treatment plant on Jurong Island, Singapore.