

# NOTICE OF ANNUAL GENERAL MEETING

## Sembcorp Industries Ltd

Co Regn No. 199802418D

(Incorporated in the Republic of Singapore)

Notice is hereby given that the Fourteenth Annual General Meeting of Sembcorp Industries Ltd (the "Company") will be held at the Multi-function Room, Sembcorp Industries Ltd, Level 1, 30 Hill Street, Singapore 179360 on Tuesday, April 24, 2012 at 11.00 a.m. for the following purposes:

### Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended December 31, 2011 and the Auditors' Report thereon. **Resolution 1**
  2. To declare a final tax exempt 1-Tier dividend of 17 cents per ordinary share comprising final ordinary dividend of 15 cents per ordinary share and final bonus dividend of 2 cents per ordinary share for the year ended December 31, 2011. **Resolution 2**
  3. To re-elect the following directors, each of whom will retire by rotation pursuant to Article 93 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:
    - a. Evert Henkes (*Independent Member of Audit Committee*) **Resolution 3**
    - b. Bobby Chin Yoke Choong (*Independent Chairman of Audit Committee*) **Resolution 4**
  4. To re-elect Tham Kui Seng, a director retiring pursuant to Article 99 of the Company's Articles of Association and who, being eligible, will offer himself for re-election. **Resolution 5**
  5. To re-appoint Goh Geok Ling, a director retiring under Section 153 of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **Resolution 6**
  6. To approve directors' fees of S\$1,280,613 for the year ended December 31, 2011, comprising: **Resolution 7**
    - a. S\$896,429 to be paid in cash (2010: S\$937,626); and
    - b. S\$384,184 to be paid in the form of restricted share awards under the Sembcorp Industries Restricted Share Plan 2010 (2010: 224,564\*), with the number of shares to be awarded rounded down to the nearest hundred and any residual balance settled in cash.
- \* 2010 values based on fair value (of \$2.48 per share on December 31, 2010) of shares awarded to non-executive directors under the previous SembCorp Industries Restricted Stock Plan in recognition of their contributions for 2010. This amount did not form part of the directors' fees for 2010, and is for comparison purposes only. These shares vested on April 8, 2011.
7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors to fix their remuneration. **Resolution 8**

### Special Business

To consider and, if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

8. That authority be and is hereby given to the directors to: **Resolution 9**
  - 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 Articles of Association 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.

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

## Resolution 10

- a. grant awards in accordance with the provisions of the Sembcorp Industries Performance Share Plan 2010 (the “SCI PSP 2010”) and / or the Sembcorp Industries Restricted Share Plan 2010 (the “SCI RSP 2010”) (the SCI PSP 2010 and SCI RSP 2010, together the “Share Plans”); and
- b. allot and issue from time to time such number of fully paid-up ordinary shares 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:

- (1) the aggregate number of (i) new ordinary shares allotted and issued and / or to be allotted and issued, (ii) existing ordinary shares (including shares held in treasury) delivered and / or to be delivered, and (iii) ordinary shares released and / or to be released in the form of cash in lieu of ordinary shares, pursuant to the Share Plans, shall not exceed 7% of the total number of issued ordinary shares in the capital of the Company (excluding treasury shares) from time to time; and
- (2) the aggregate number of ordinary shares under awards to be granted pursuant to the Share Plans during the period commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1% of the total number of issued ordinary shares in the capital of the Company (excluding treasury shares) from time to time.

10. To transact any other business.

By Order of the Board

Kwong Sook May  
Company Secretary  
March 29, 2012

## Explanatory Notes:

Resolutions 3 to 6 – Detailed information on these directors can be found under the Board of Directors and Corporate Governance Report sections in the Annual Report 2011.

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

If re-elected, Mr Bobby Chin Yoke Choong will remain as the Chairman of the Audit Committee and a member of the Risk Committee. Mr Chin is an independent director.

Resolution 7 – is to approve the payment of directors’ fees, comprising a cash component and a share component. Detailed information on compensation to the non-executive directors can be found under the Corporate Governance Report section in the Annual Report 2011.

The directors’ fees will only be paid after shareholders’ approval has been obtained at the forthcoming Annual General Meeting (“AGM”) of the Company. To align the interests of the non-executive directors with the interests of shareholders, up to 30% of the aggregate directors’ fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards under the Sembcorp Industries Restricted Share Plan 2010.

For year 2011, the awards granted under the Sembcorp Industries Restricted Share Plan 2010 to all directors as part of their directors’ fees (except for Mr Tang Kin Fei, who is the Group President & CEO, and who does not receive any directors’ fees) will consist of the grant of fully paid shares outright with no performance and vesting conditions attached, but with a selling moratorium. Non-executive directors are required to hold shares (including shares obtained by other means) worth at least one-time the annual base retainer (currently S\$65,000); any excess may be sold as desired. A non-executive director can dispose of all of his shares one year after leaving the Board.

The actual number of shares to be awarded to each non-executive director will be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 14 trading days immediately following the date of the AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash.

Resolution 9 – is to empower the directors to issue shares in the capital of the Company and to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding 50% of the total number of issued shares in the capital of the Company excluding treasury shares, of which up to 5% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time that Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Resolution 10 – is to empower the directors to offer and grant awards pursuant to the Sembcorp Industries Performance Share Plan 2010 and the Sembcorp Industries Restricted Share Plan 2010 (collectively, the “Share Plans”) and to issue ordinary shares in the capital of the Company pursuant to the vesting of awards granted pursuant to the Share Plans provided that: (a) the aggregate number of (i) new ordinary shares allotted and issued and / or to be allotted and issued, (ii) existing ordinary shares (including shares held in treasury) delivered and / or to be delivered, and (iii) ordinary shares released and / or to be released in the form of cash in lieu of ordinary shares, pursuant to the Share Plans shall not exceed 7% of the total number of issued ordinary shares in the capital of the Company (excluding treasury shares) from time to time; and (b) the aggregate number of ordinary shares under awards to be granted pursuant to the Share Plans during the period commencing from this Annual General Meeting to the next Annual General Meeting shall not exceed 1% of the total number of issued ordinary shares in the capital of the Company (excluding treasury shares) from time to time. Approval for the adoption of the Share Plans was given by shareholders at an Extraordinary General Meeting of the Company held on April 22, 2010. The grant of awards under the Share Plans will be made in accordance with their respective provisions.

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## Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be lodged at the office of the Company's Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 not later than 48 hours before the time appointed for the Annual General Meeting.

## **Notice of Books Closure and Dividend Payment Date**

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on May 2, 2012 to determine the shareholders' entitlements to the proposed dividend. Duly completed transfers of shares received by the Company's Share Registrar, M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on April 30, 2012 (the "**Book Closure Date**") will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Book Closure Date will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the Annual General Meeting, will be paid on May 15, 2012.