

Corporate Governance Statement

Sembcorp's corporate governance framework is built on principles of integrity, accountability, transparency and sustainability, and reflects our commitment to long-term sustainable business performance.

Well-defined policies and processes are essential to enhancing corporate governance, as well as improving corporate performance and accountability. We are committed to high standards of governance to create, preserve and maximise long-term value for all our stakeholders.

This report outlines the company's corporate governance processes and activities for financial year 2024 (FY2024), aligning with the principles of the Singapore Code of Corporate Governance 2018 (the Code). The board is pleased to report that the company has complied in all material aspects with the principles and provisions under the Code's key provisions, with any deviations clearly explained.

In line with our ongoing dedication to improvement, we regularly review

and adapt our processes to reflect best practices, ensuring they align with the Group's needs and evolving business landscape. At the Singapore Corporate Awards 2024, Sembcorp was awarded the Special Recognition Award for Transformation, which recognises organisations that have demonstrated outstanding and exemplary corporate governance in the affairs of their boards and organisations. Sembcorp's Group Chief Executive Officer (CEO), Mr Wong Kim Yin was also named Best CEO among the large-cap companies. At the Securities Investors Association (Singapore) Investors' Choice Awards 2024, Sembcorp was one of the winners of the Singapore Corporate Governance Award (Big Cap) and was awarded the Most Transparent Company Award (Utilities).

Board Matters

The Board's Conduct of Affairs (Principle 1)

Effective board to lead and effect controls

Temasek Holdings (Temasek) is Sembcorp's substantial shareholder. As a Temasek portfolio company, Sembcorp is committed to sound corporate governance practices that include having an independent and a capable board.

Sembcorp's eleven-member board led by Chairman Mr Tow Heng Tan, combines expertise, independence, and diversity to provide strategic leadership. With majority of independent non-executive directors and Mr Lim Ming Yan as the Lead Independent Director, the board's collective experience ensures robust oversight and direction. This strong governance foundation reflects Sembcorp's dedication to excellence and accountability, key drivers of its long-term success.

The composition of the board and its committees are set out in the table below.

Name	First Appointed	Last Re-elected / Re-appointed	Nature of Appointment	Board Committees					
				ExCo	AC	RC	ERCC	NC	
Tow Heng Tan*	June 1, 2021	April 21, 2022	Chairman Non-executive & Non-Independent	C				M	M
Lim Ming Yan	January 18, 2021	April 23, 2024	Non-executive & Lead Independent Director	M				C	C
Yap Chee Keong*	October 1, 2016	April 20, 2023	Non-executive & Independent		C			M	
Dr Josephine Kwa Lay Keng	August 1, 2018	April 23, 2024	Non-executive & Independent		M			M	
Nagi Hamiyeh**	March 3, 2020	April 20, 2023	Non-executive & Non-independent	M					
Kunnasagaran Chinniah	August 1, 2023	April 23, 2024	Non-executive & Independent	M		C		M	
Marina Chin Li Yuen	November 1, 2023	April 23, 2024	Non-executive & Independent		M			M	
Ong Chao Choon	November 3, 2023	April 23, 2024	Non-executive & Independent		M			M	M
Manu Bhaskaran*	July 1, 2024	N.A.	Non-executive & Independent						
Prof Uwe Krueger*	October 1, 2024	N.A.	Non-executive & Non-independent						
Wong Kim Yin	July 1, 2020	April 23, 2024	Executive & Non-independent	M					

C: chairman M: member

* Up for retirement and seeking re-election at the upcoming annual general meeting (AGM)

** Up for retirement but not seeking re-election and will retire at the upcoming AGM

Role of the board

The board's principal duties are to:

- Provide leadership and guidance to management on the Group's overall strategy to drive value creation and innovation, while ensuring the necessary financial and human resources are in place, deployed and optimised;
- Ensure adequacy of the Group's risk management and internal control framework and standards, to meet shareholder and stakeholder obligations;
- Review management performance and oversee the Group's overall performance objectives, key operational initiatives, financial plans, annual budgets, major investments, divestments, funding proposals, financial performance reviews, corporate governance practices; and
- Provide guidance and oversight on sustainability issues, including the determination of material environmental, social and governance (ESG) factors relevant to the Group's overall business strategy.

The directors and executive officers of the company have each given an undertaking that in the exercise of their powers and duties as a director or executive officer of the company, they shall use their best endeavours to comply with the requirements of the Listing Manual of the Singapore Exchange Securities Trading (SGX-ST) that are in force from time to time, and to use their best endeavours to procure that the company shall so comply.

Delegation by the board

The board has established the following committees with written terms of reference to assist in the efficient discharge of responsibilities and provide independent oversight of management:


- Executive Committee (ExCo)
- Audit Committee (AC)
- Risk Committee (RC)
- Executive Resource & Compensation Committee (ERCC)
- Nominating Committee (NC)

Special purpose committees are also established from time to time as dictated by business imperatives.

The composition of the board committees is structured to ensure an equitable distribution of responsibilities among board members, maximise the effectiveness of the board, as well as foster active participation and contribution. Considerations include diversity of experience, relevant skills, and the need to maintain appropriate checks and balances among the different board committees.

The Group has 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, as well as requisitions and expenses. Decision making for significant transactions or investments above certain thresholds rests with the board, while the ExCo and management oversee day-to-day approvals, ensuring operational efficiency.

Detailed activities and responsibilities of each committee are outlined in this statement. The structured approach strengthens accountability, fosters active participation, and supports the Group's commitment to sound governance and sustainable growth. The current composition of these board committees is set out in the table on the left.

 For more information on board members, please refer to pages 33 to 35.

Executive Committee ^E

The ExCo supports the board in ensuring that the Group's business and affairs are conducted in line with the strategic direction set by the board. In pursuing the objective, the ExCo assists in developing the overall strategy for the Group and supervising the management of the Group's business and affairs, including its material sustainability factors. The ExCo's principal responsibilities are to:

- Review and approve business opportunities, major contracts, strategic investments and divestments of the Group that fall within the financial authority limits delegated by the board;
- Review the status of the Group's projects from development through to completion; and
- Review and endorse post-investment review reports to ensure alignment with strategic objectives and lessons for future initiatives.

Audit Committee ^A

All members of the AC are non-executive and independent directors. Its main responsibilities are to:

- Review and report to the board, at least annually, the Group's financial and accounting matters, as well as the adequacy and effectiveness of the Group's internal controls encompassing financial, operational, compliance, information technology (IT) and risk management systems (including sustainability). This includes ensuring the adequacy and accuracy of the half-yearly results and annual financial statements prior to submission to the board;

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- Approve respective audit work plans, review the evaluation and reports from external and internal auditors and ensure that audit resources allocated are in line with key business, operational and financial risk areas;

- Review management support for auditors and discuss issues or concerns (if any) arising, and conduct discussions with external and internal auditors, without management present, if necessary;

- Review and approve the Group's whistleblowing programme and policy, ensuring independent investigations are conducted by internal auditors and management for any suspected fraud, irregularity or suspected infringement of rules, regulations and laws, which may have material impact on the operations and financial position of the Group;

- Monitor and oversee external auditors' independence, objectivity, scope, effectiveness, appointment and re-appointment annually;

- Review and approve interested person transactions according to Chapter 9 of the SGX-ST Listing Rules; and

- Undertake any reviews as requested by the board and other duties as required by statutes and the SGX-ST Listing Rules or recommended by the Code and by such amendments made thereto from time to time.

Risk Committee ^R

The principal functions of the RC, comprising non-executive and independent directors, are to:

- Review and approve the Group's risk appetite and risk tolerance, along with risk policies, guidelines, limits and key risk indicators;

- Review and report to the board on the adequacy and effectiveness of the risk management systems and internal controls, processes and procedures of the Group, in consultation with the AC;

- Review the Group's Integrated Assurance Framework (IAF) reports, which are established for management reporting to the board and RC; and

- Ensure the adequacy of resources to support the management of risks effectively across the Group.

Executive Resource & Compensation Committee ^C

The ERCC is responsible for developing, reviewing and recommending the remuneration framework for the board and key management personnel as defined in the Code, as well as reviewing succession plans for key management personnel. Its principal responsibilities are to:

- Assist the board to ensure that the Group's remuneration framework remains competitive and aligned with prevailing economic environment, industry practices, and compensation norms;

- Review the Directors' Fee Framework and make recommendations on the remuneration packages of the Group CEO and key management personnel for the board's consideration;

- Review and recommend guidelines on share-based and other long-term incentive plans to the board, and approve grants of these incentives for key management personnel; and

- Review succession planning for key management personnel and the leadership pipeline for the organisation.

Nominating Committee ^N

The NC comprises non-executive directors, with a majority, including the chairman, being independent. It ensures a well-balanced and independent board that supports the company's success. Its principal responsibilities are to:

- Ensure that the board has the right mix of skills, knowledge and experience in business, finance and related industries, along with other aspects of diversity and management expertise critical to the company's business;

- Recommend targets to achieve board diversity while maintaining the meritocracy principle in appointing qualified directors;

- Review the composition and size of the board and its committees, and recommend appointments, re-appointments or re-elections as appropriate;

- Review and endorse the directors' independence and succession plans for the board;

- Develop an evaluation process and criteria for the board and board committees' performance; and

- Review and recommend training and professional development programmes for the directors.

Board orientation and training

The company has a formal and structured orientation framework and programme for all directors. All new directors receive formal letters of appointment outlining the Group's governance policies and practices, as well as their duties and obligations. They also receive an information pack that acts as an *aide-memoire* for information covered in the induction programme. This includes briefings on board policies, processes, senior management presentations about Sembcorp, overall strategic plans and

direction, financial performance and business activities in various markets, along with facility visits.

An online database centralises all essential company information and corporate documents for directors' easy access. Newly appointed directors without prior listed company experience receive training on their roles and responsibilities as required by SGX-ST.

The company ensures that directors stay updated on regulatory changes, guidelines, accounting standards, and relevant trends including market outlooks, global macro views, sustainability, cybersecurity, health and safety, and updates to the Code. These are done through board meetings, committee sessions, or external training seminars funded by the company. Directors also undergo mandatory sustainability training as prescribed by SGX-ST.

Relevant articles and reports are also circulated to the directors for information. Furthermore, directors regularly visit the Group's operations in key markets to enhance their understanding of the company's business, promoting active engagement and strengthening relationships with stakeholders.

Meetings and attendance

The board meets regularly to review and approve the company's financial results, discuss business strategies and address key business issues. It also approves the Group's annual budget.

During these meetings, the Group CEO provides updates on the company's development and business prospects, while each board committee reports on its activities. Time is allocated for non-executive directors to discuss management performance, during which the Group CEO and members of management will recuse themselves. Minutes of

Board member	Board	^E ExCo	^A AC	^R RC	^C ERCC	^N NC	AGM
Total number of meetings held in 2024	8	3	5	4	5	2	1
Tow Heng Tan	8	3	–	–	5	2	1
Lim Ming Yan	8	3	–	–	5	2	1
Yap Chee Keong	8	–	5	4	–	–	1
Dr Josephine Kwa Lay Keng	8	–	5	4	–	–	1
Nagi Hamiyeh	4*	1*	–	–	–	–	1
Kunnasagaran Chinniah	8	3	–	4	4*	–	1
Marina Chin Li Yuen	8	–	5	4	–	–	1
Ong Chao Choon	8	–	5	4	–	2	1
Manu Bhaskaran ¹	4	–	–	–	–	–	–
Prof Uwe Krueger ²	2	–	–	–	–	–	–
Wong Kim Yin	8	3	–	–	–	–	1
Ajaib Haridass ³	3	–	1	1	–	–	1

* Could not attend and conveyed their views / comments for consideration prior to meetings

¹ Mr Bhaskaran was appointed as a director with effect from July 1, 2024. He attended all Board meetings held during his tenure

² Prof Krueger was appointed as a director with effect from October 1, 2024. He attended all Board meetings held during his tenure

³ Mr Haridass stepped down as a director, chairman of RC and a member of AC with effect from April 23, 2024

key deliberations and decisions are circulated to all board members for acknowledgement and information.

Ad hoc board meetings are convened as needed for specific matters. Annual strategic review meetings facilitate in-depth discussions between the board and management on the Group's strategy and other key issues. In 2024, the annual strategic review meeting was held in Singapore over two days with participation from the board and senior management.

Board and board committee meetings, as well as the AGM, are scheduled in consultation with the directors before the start of each year to ensure full attendance. Directors who are unable to attend in person can participate remotely via voice calls or video conferencing. If a director is absent, they receive discussion papers tabled and can convey their views to the Chairman for further consideration. Separate sessions may be arranged for management to brief the director and

seek their input or approval. Decisions by the board and board committees may be made at meetings or through circular resolutions. Directors' attendance at board and board committee meetings during FY2024 is set out above.

To prevent conflict of interests, directors disclose personal interests in transactions and recuse themselves from discussions and decisions on such matters.

Mr Chinniah sits on the board of Greenko Energy Holdings, a member of the Greenko Group, as a nominee director of GIC which is a major shareholder of Greenko Group. Greenko Group owns and operates renewable energy business in India.

Mr Chinniah will abstain from participating in discussions or decisions where a conflict of interest might arise between Sembcorp and Greenko Energy Holdings, Greenko Group or GIC.

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Complete, adequate and timely information

Complete, adequate and timely information is essential for directors to make informed decisions and effectively discharge their duties. They are kept informed of the Group’s operational and financial performance, key issues, challenges and opportunities. Financial highlights of the Group’s performance and key developments are presented at board meetings on a quarterly basis. The Group CEO, Group Chief Financial Officer (CFO) and senior management members attend board and board committee meetings to provide insight into matters under discussion and address queries from the board.

Board and board committee papers are provided electronically and can be accessed via tablet devices. As a general rule, all relevant board and board committee papers are made available to directors a week before meetings, allowing sufficient time for review. Should additional information or consultation be needed, the board has direct access to the Group CEO, Group CFO, senior management, company secretary, internal and external auditors, as well as legal counsel.

Independent professional advice

In the furtherance of its duties, the board has full discretion to seek independent professional advice at the company’s expense, where necessary.

Company secretary

The appointment and removal of the company secretary are subject to board approval. The company secretary assists the Chairman by ensuring smooth flow of information within the board, its committees, and between the board and senior management. The company secretary also manages corporate and administrative matters, including facilitating orientations for new directors and supporting their professional development as required. In consultation with the Chairman and Group CEO, the company secretary helps schedule board and board committee meetings, prepare meeting agendas, and administer board proceedings, including taking minutes.

The company secretary ensures the Group’s compliance with the company’s constitution and applicable regulations including requirements of the Companies Act 1967, Securities & Futures Act and the SGX-ST Listing

Manual. The company secretary also acts on behalf of the company to liaise with SGX-ST, Accounting and Corporate Regulatory Authority (ACRA) and shareholders, when necessary.

Board Composition and Guidance (Principle 2)

Independence and diversity of the board

Board composition and diversity

The company has a Board Diversity Policy, outlining principles to maintain diversity in board composition, and to ensure effective decision-making and governance.

The board believes that its directors collectively provide an appropriate balance and mix of skills, knowledge and experience as well as other aspects of diversity including gender, age and ethnicity.

Our current board members comprise business leaders and professionals from diverse sectors, including accountancy and audit, banking and finance, engineering, legal, power and utilities, renewables and real estate, as well as technology research and development

sectors. In addition to contributing their valuable expertise and insights to board deliberations, the directors work to bring independent and objective viewpoints, ensuring balanced and well-considered decisions.

Sembcorp is committed to ensuring and enhancing board diversity and will continue to consider the benefits of all aspects of diversity, including skills, experience, background, gender, age, ethnicity, and other relevant factors. The NC ensures that board appointments are made based on merit, while considering these diversity attributes.

Review of directors’ independence

The board conducts an annual assessment of each director’s independence, focusing on their ability to exercise independent judgment in board decisions. Directors are required to complete a Director’s Independence Checklist, aligned with the provisions of the Code. This checklist also prompts directors to assess their own independence, even in cases where they may have relationships identified in the Code. The completed checklists are reviewed by the NC, which then makes recommendations to the board.

The board is composed of eleven members, seven of whom are independent directors. Apart from the Group CEO, all directors are non-executive and independent of management, ensuring objectivity in decision-making.

In 2024, all directors except Mr Tow, Mr Hamiyeh, Prof Krueger, and Mr Wong declared themselves independent. Following these disclosures, the board reviewed and confirmed the independence of all members of Sembcorp’s board for FY2024 save for the aforementioned directors. The independence of Mr Chinniah was also assessed, as set out below.

Mr Tow is CEO of Pavilion Capital International, a subsidiary of Temasek. Mr Hamiyeh and Prof Krueger are senior executives at Temasek, with Mr Hamiyeh serving as its Head for Europe, the Middle East & Africa, and Prof Krueger as its vice chairman. Mr Wong is the Group CEO and an executive director of Sembcorp.

Mr Chinniah is a consultant to Pavilion Capital International, an advisor to Azalea Investment Management and a non-executive director of Astrea VI, all of which are subsidiaries of Temasek. He is also a non-executive independent director of CapitaLand Ascendas REIT Management (the Manager of CapitaLand Ascendas REIT), where Temasek is a substantial shareholder.

His roles in the above companies are non-executive in nature and he is not involved in their day-to-day business activities. He is not under any obligation, whether formal or informal, to act in accordance with Temasek’s directions, instructions or wishes regarding Sembcorp’s affairs. The board believes Mr Chinniah has acted and will continue to act in the best interests of Sembcorp.

Chairman and Chief Executive Officer (Principle 3)

Clear division of responsibilities between the board and management

The Chairman and the Group CEO are not related. Their roles are kept separate to ensure clear division of responsibilities, greater accountability and enhanced independent decision-making.

The Chairman helms the board and ExCo, chairs all general meetings and plays a key role in fostering constructive dialogue between shareholders, the board and management. He provides leadership and guidance to management, particularly in areas of global growth strategies and project investments. He ensures that board and board committee meetings are conducted

in a manner that promotes open communication, active participation and effective decision-making. He also advises management and monitors follow-up actions, ensuring that board decisions are implemented.

The Group CEO presents strategic proposals to the board. He develops and manages the company’s business in accordance with board approved strategies, policies, budgets and business plans, and ensures accountability while providing guidance and leadership to key management personnel.

Lead Independent Director

The Lead Independent Director provides leadership to the board and chairs board meetings in the Chairman’s absence or when conflicts arise. He facilitates communication between the board and shareholders or other stakeholders as needed. He may convene meetings with independent directors, and provide feedback to the Chairman where appropriate.

As chairman of the NC and ERCC, the Lead Independent Director oversees the annual performance evaluation and development of succession plans for the board and key management personnel.

Board Membership (Principle 4)

Formal and transparent process for the appointment and re-appointment of directors

Succession planning, appointment and re-appointment of directors

The NC ensures the board membership is refreshed progressively to maintain continuity and uphold governance standards. All appointments to the board are based on merit, measured against objective criteria while considering skills, experience, knowledge and competencies. They must also be able to discharge their responsibilities while upholding the highest standards of governance.

Director Experience / Skills Matrix

Experience / Skills	Industry Experience	Renewables / Power Experience	Senior Management Experience	Strategic Planning	Audit / Accounting & Finance	Legal	Information Technology	Risk Management	Human Resource Management
Tow Heng Tan	✔		✔	✔	✔			✔	✔
Lim Ming Yan	✔		✔	✔	✔			✔	✔
Yap Chee Keong	✔	✔	✔	✔	✔		✔	✔	✔
Dr Josephine Kwa Lay Keng	✔	✔	✔	✔	✔		✔	✔	✔
Nagi Hamiyeh	✔		✔	✔	✔		✔	✔	✔
Kunnasgaran Chinniah	✔	✔	✔	✔	✔			✔	✔
Marina Chin Li Yuen	✔		✔	✔	✔	✔		✔	✔
Ong Chao Choon	✔		✔	✔	✔			✔	✔
Manu Bhaskaran	✔		✔	✔	✔			✔	✔
Prof Uwe Krueger	✔	✔	✔	✔	✔		✔	✔	✔
Wong Kim Yin	✔	✔	✔	✔	✔		✔	✔	✔

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The board recognises the contributions of directors who have over time, developed deep insights into the Group's business. It exercises discretion to retain the services of such directors where appropriate, to avoid an abrupt loss of experienced directors.

When appointing new directors, the NC consults the board and management and identifies potential candidates sourced through a network of contacts and appropriate external databases. They are evaluated based on skills, experience, age, gender, race, ethnicity, nationality, educational and professional background, length of service and other relevant personal attributes, cognitive skills and lateral thinking. The NC interviews candidates and makes its recommendations for board approval.

The company subscribes to the principle that all directors, including the Group CEO, should retire and submit themselves for re-election at regular intervals, subject to their continued satisfactory performance. The company's constitution requires a third of its directors to retire and seek re-election by shareholders at every AGM under the one-third rotation rule.

Newly appointed directors must retire and seek re-election at the AGM immediately following their appointment, after which they are subject to the rotation rule.

At the upcoming AGM on April 25, 2025, Mr Tow and Mr Yap will retire and have offered themselves for re-election under the rotation rule. Mr Hamiyeh who is also due to retire under the rotation rule, will not be seeking re-election and will be retiring at the upcoming AGM.

Newly appointed directors, Mr Bhaskaran and Prof Krueger, will also retire and have offered themselves for re-election.

The board discourages appointing alternate directors, and none have been or are currently appointed.

Review of directors' time commitments

While reviewing the re-appointment and re-election of directors, the NC also considers the directors' other board roles and principal commitments to ensure they can dedicate adequate time to their responsibilities at Sembcorp. The board has implemented a guiding principle that seeks to address competing time commitments that may be faced when a director holds multiple directorships. As a general rule, Sembcorp limits directors to holding no more than five listed company directorships. However, it recognises that individual circumstances may warrant exceptions.

After reviewing the commitments of each director, the NC concluded, and the board concurred, that all directors have effectively devoted sufficient time and focus to the company's affairs during FY2024.

Board Performance (Principle 5)

Active participation and valuable contributions are key to the overall effectiveness of the board

Board evaluation process and performance criteria

The board recognises that its performance is closely tied to the Group's long-term success. Each year, the board, in consultation with the NC, assesses its performance to identify key areas for improvement and ensure follow-up actions are taken. This assessment aims to help directors stay focus on their responsibilities and enhance overall board effectiveness.

To facilitate this process, each director completes a questionnaire assessing the effectiveness of the board, its committees and individual directors' contribution and performance.

The evaluation considers factors including the size, composition, development and effectiveness of the board and its committees, processes and accountability, information and technology management, decision-making processes, risk and crisis management, succession planning, communication with senior management and stakeholder management. Assessments and feedback are consolidated for collective discussion and review by the board. The NC periodically reviews and refines the directors' questionnaire to enhance the evaluation process.

The FY2024 evaluation confirmed that the board and its committees continued to perform effectively, supporting Sembcorp's objectives.

Remuneration Matters Procedures for Developing Remuneration Policies (Principle 6)

Formal and transparent procedure for developing policies on director and executive remuneration

The board, supported by the ERCC, ensures a formal policy and transparent process are in place for determining executive and director remuneration. This approach upholds governance standards and ensures fairness.

As a guiding principle, the Group CEO or any executive or board member will recuse themselves from discussions relating to their own remuneration, performance reviews, and terms and conditions of service.

The ERCC engages expert advice on human resource matters when required. In 2024, WTW was engaged to provide such advice, including the validation of pay levels and compensation structure for the Group CEO against the industry and market, ensuring rigorous design and application of the executive compensation framework.

The ERCC has reviewed the independence and objectivity of WTW, and confirmed that the firm had no relationship with the Group that would affect its independence.

The ERCC reviews the development and performance of management and senior staff, assessing their strengths and development needs against the Group's leadership competencies framework. Annual reviews of succession plans are conducted for the Group CEO, key direct reports and other selected key positions in the company. Potential internal and external candidates for succession are reviewed according to immediate, medium- and long-term needs. Additionally, the ERCC reviews termination clauses in service contracts of the Group CEO and key management personnel, to ensure they are fair and reasonable.

Level and Mix of Remuneration (Principle 7)

A competitive reward system ensures the highest performance and retention of directors and key management personnel

Sembcorp's competitive remuneration and reward system is designed to attract, retain and incentivise the best talent.

This approach aligns with the company's long-term interests and its risk and return policies.

Non-executive directors' fees

The Directors' Fee Framework, reviewed by our external consultant WTW in 2024, aligns with the current market practices. It includes basic retainer fees, attendance fees, and allowances for board committee service.

Non-executive directors are remunerated in cash and in share awards under the restricted share plan. Up to 30% of the aggregate directors' fees approved by shareholders for a

particular financial year may be paid in the form of restricted share awards. The payment of directors' fees (both cash and share components) is contingent on shareholders' approval. Directors and their associates also abstain from voting on any resolution(s) relating to their remuneration. The company does not have a retirement remuneration plan for non-executive directors.

Share awards granted to non-executive directors under the restricted share plan as part of directors' fees are fully paid shares with no performance and vesting conditions, but subject to a selling moratorium. Each non-executive director must hold these shares in the company, including those obtained by other means, with an aggregate value equivalent to their annual basic retainer fee (currently S\$100,000). Any excess exceeding this threshold may be disposed of as desired, in compliance with SGX-ST Listing Rules. A non-executive director may only dispose of all of his shares one year after leaving the board. The cash component of the directors' fees for financial year 2025 (FY2025), subject to shareholders' approval at the upcoming AGM, is intended to be paid half-yearly in arrears.

The actual number of shares to be awarded to each non-executive director will be calculated based on the volume-weighted average price of a share on SGX-ST over 14 trading days. This period begins from (and includes) the day the shares are first quoted ex-dividend after the AGM or, if the final dividend resolution is not passed, 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, with any remaining balance settled in cash. The share component of the directors' fees for FY2025 is intended to be paid in 2026 after the AGM has been held.

Directors' Fee Framework for FY2024*

S\$	
Retainer fee (per annum)	
Chairman (all-in fee) ¹	750,000
Lead Independent Director (all-in fee) ¹	270,000
Director's basic retainer	100,000
Chairman, ExCo	60,000
Chairman, AC	60,000
Chairman, RC	40,000
Chairman, ERCC	40,000
Chairman, NC	40,000
Member, ExCo	33,000
Member, AC	33,000
Member, RC	24,000
Member, ERCC	24,000
Member, NC	24,000

Attendance fee (per meeting)

Board meeting (local) ²	2,500
Board meeting (overseas) ²	5,000
Board Committee / General meeting (local) ²	1,500
Board Committee / General meeting (overseas) ²	3,000
Board Committee / General meeting (flat fee) ³	1,000

Teleconference (per meeting)

Board meeting	1,500
Board Committee / General meeting	1,000

Notes

* The Directors' Fee Framework applies to all directors except the Group CEO, who is an executive director and does not receive any directors' fees

¹ The Chairman and the Lead Independent Director will each receive an all-in retainer fee. They will not receive any retainer fee for serving on board committees, nor attendance fee for attending board and board committee meetings

² Local – home country of the directors
Overseas – outside home country of the directors

³ Attendance fee for attending a board committee meeting or general meeting is payable if such meetings are held on separate days from the board meeting. In the event such meetings are held on the same day as the board meeting, only a flat fee of S\$1,000 is payable for such meetings

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Remuneration for key management personnel

Sembcorp’s remuneration and reward system for key management personnel is designed to ensure competitive compensation that attracts, retains and motivates key senior management and senior executives, to drive superior performance and sustainable growth, which is aligned with shareholder interests. The correlation between pay and performance has been validated through a pay-for-performance assessment conducted by WTW in 2024.

- Fixed remuneration**

Fixed remuneration includes an annual basic salary and, where applicable, fixed allowances, an annual wage supplement and other emoluments. Base salaries take into consideration the scope, criticality and complexity of each role, equity against peers with similar responsibilities, experience and competencies, individual performance and market competitiveness.

- Annual performance bonus**

The annual performance bonus recognises the outcome and contributions of the individual, while driving the achievement of key business results for the Group and their respective markets. It consists of two components: achievement of pre-agreed targets as well as individual performance, and economic value added (EVA) of the Group.

Performance target bonus is linked to the achievement of the balanced scorecard, which comprises financial and non-financial performance targets comprising strategy, business processes and organisation, and people development. The performance target bonus is subject to the actual achievement of the balanced scorecard of the Group, business unit and individual performance assessment.

An EVA-linked ‘bonus bank’ is created for each key management personnel. Typically, one third of the bonus bank balance is paid out in cash each year and the remainder is carried forward. The carried forward balances may be reduced (claw-back) or increased in future, based on the Group’s yearly EVA performance. There are provisions in the EVA incentive plan to allow for forfeiture of the outstanding balances in the bonus bank in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Group.

- Share-based incentives**

The Sembcorp Industries Performance Share Plan 2020 (SCI PSP) and Sembcorp Industries Restricted Share Plan 2020 (SCI RSP) are designed to motivate key management personnel to keep striving for the Group’s long-term shareholder value. In addition, our share-based incentive plans aim to align the interests of participants and shareholders, to improve performance and achieve sustainable growth for the company.

The performance share award and restricted share award are granted to the Group CEO, key management personnel and selected business leaders of the Group. The number of performance and restricted shares awarded is determined using a valuation of the shares based on a Monte Carlo simulation. The share awards are conditional upon the achievement of pre-determined performance targets over the performance period. The performance conditions and targets are approved by the ERCC at the beginning of the performance period and the final number of shares vested to the recipient will depend on the level of achievement of these targets over the performance period,

subject to the approval of the ERCC. Under the SCI PSP and SCI RSP, the Group CEO and senior management are required to hold shares in the company and in the aggregate equivalent to at least 200% and 100% of their annual base salaries respectively.

In 2021, the Board approved a five-year Transformation Incentive plan (PSP-TI) under the SCI PSP, to further strengthen the alignment of long-term incentives for the Group CEO and key management personnel with the Group’s strategic goals. The PSP-TI is linked to specific long-term ESG transformation targets, including Greenhouse Gas Emissions Intensity Reduction, Gross Installed Renewable Energy (RE) Capacity, Sustainable Solutions’ Profit and Sustainable Land Banking and Land Sales.

The size of the restricted share awards granted in 2024 is based on the achievement of stretched financial and non-financial targets. These awards will vest in three equal annual tranches, subject to continued employment with the Group.

For more information on the share-based incentives and performance targets, please refer to Directors’ Statement on pages 101 to 102 and Note B6 in the Notes to the Financial Statements on pages 145 to 148.

Pay-for-performance

A pay-for-performance assessment was conducted in 2024 by our external consultants, WTW, to review the alignment between the Group’s executive pay programme and business results. To do this, WTW benchmarked the Group’s pay levels and performance against a peer group consisting of comparable-sized Singapore-listed companies, as well as regional and global competitors in the energy industry.

The study examined fixed remuneration, total cash and total remuneration including earned bonuses and long-term incentives of the Group CEO and key management personnel, against that of peer companies as disclosed in the latest annual reports. Concurrently, the study also examined the Group’s performance relative to peers as measured by operating income growth and total shareholder return.

Overall, the study demonstrated a sound correlation between the Group’s executive pay, key financial results, shareholder returns and peer company performance, thus reinforcing the strong pay-for-performance features underpinning our executive pay programme.

Disclosure on Remuneration (Principle 8)

The company is transparent on its remuneration policies, which cover the level and mix of remuneration, procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Directors’ remuneration

Based on the Directors’ Fee Framework, the computation of non-executive

Name of Director	Directors’ fees	
	Cash-based S\$’000	Share-based S\$’000
Payable by Company		
Tow Heng Tan	525	225
Lim Ming Yan	189	81
Yap Chee Keong	152	65
Dr Josephine Kwa Lay Keng	134	57
Nagi Hamiyeh ¹	68	29
Kunnasagaran Chinniah ²	163	70
Marina Chin Li Yuen	134	57
Ong Chao Choon	153	65
Manu Bhaskaran ³	41	18
Prof Uwe Krueger ⁴	–	–
Ajaib Haridass ⁵	66	–

- Notes
- Mr Hamiyeh has waived the director’s fees payable to him with effect from September 1, 2024
 - Mr Kunnasagaran attended AC meetings as an invited attendee
 - Mr Bhaskaran was appointed as a director with effect from July 1, 2024
 - Prof Krueger was appointed as a director with effect from October 1, 2024 and has waived any director’s fees payable to him with effect from the date of his appointment as a director
 - Mr Haridass stepped down as a director, chairman of RC and a member of AC with effect from April 23, 2024

directors’ fees totalled S\$2,293,544 in 2024 (2023: S\$2,008,175).

For more information on the performance shares and restricted shares granted to the directors, please refer to the Share-based Incentive Plans section in the Directors’ Statement on pages 101 to 102.

Group CEO

The Group CEO, as an executive director, does not receive directors’ fees from Sembcorp. As a lead member of management, his compensation comprises his salary, allowances, bonuses and share-based incentives conditional upon meeting certain performance targets.

Name of Group CEO	Fixed Pay ¹ S\$’000	FY2024 Cash Bonus Earned ² S\$’000	FY2024 EVA Bonus Declared and Subject to Deferral and Claw-back ³ S\$’000	Fair Value of FY2024 RSP Grant ⁴ S\$’000	Fair Value of FY2024 PSP Grant ⁵ S\$’000	FY2024 Total Remuneration based on Grant Fair Value S\$’000
Payable by Company						
Wong Kim Yin	1,367	1,568	619	1,676	1,176	6,406

- The amounts shown are inclusive of base salary, fixed allowances, annual wage supplement and other emoluments
- Cash Bonus Earned is based on the achievement of FY2024 Group Balanced Scorecard Key Performance Indicators (KPIs) (including Net Profit, Return on Equity (ROE), RE Capacity, Carbon Intensity, Health, Safety, Security and Environment (HSSE), Cybersecurity and ESG-related KPIs), and is payable by April 2025
- EVA Bonus is based on achievement of FY2024 Group Economic Profit above the target weighted average cost of capital (WACC); one third of the FY2024 EVA Bonus Declared is payable by April 2025 and the balance is subject to EVA banking mechanism, which typically pays out one third of the banking balance in future years and subject to negative EVA claw-back
- The contingent grant of FY2024 RSP is based on the achievement of FY2024 Group Balanced Scorecard KPIs. One third of the FY2024 RSP grant (or 90,500 restricted shares) will vest by April 2025 with the remaining deferred and subject to meeting vesting conditions in 2026 and 2027. Estimated fair value per share is S\$6.1756, based on the volume-weighted average price (VWAP) between February 28, 2025 and March 4, 2025 (total estimated fair value of the contingent grant of FY2024 RSP is S\$1,676,000; estimated fair value of the FY2024 RSP to vest in 2025 is S\$558,700)
- The contingent grant of FY2024 PSP will only vest upon the achievement of the three-to-five-year long-term performance conditions (Absolute Total Shareholder Return above targets set against Cost of Equity (COE), Relative Total Shareholder Return against performance of the Straits Times Index (STI), RE Capacity, and KPIs aligned with shareholders’ value creation and ESG transformation targets) between 2021 to 2025. None of the FY2024 PSP contingent grant has vested in 2024 and if the long-term performance conditions are not met, part or all of the FY2024 PSP contingent grant may lapse after 2026. Estimated value per share is S\$4.62 based on a consistent fair valuation model and Monte Carlo simulation and calculated by an external consultant (total fair value of the contingent grant of FY2024 PSP is S\$1,176,000; none of the FY2024 PSP grant has vested in 2024)

Corporate Governance Statement

Key Management Personnel

In 2024, the key management personnel (who are not directors or the Group CEO), in alphabetical order of their last names, are Eugene Cheng, Robert Chong, Koh Chiap Khiong, Alex Tan and Vipul Tuli. After carefully considering the recommendations outlined in the Code, taking into account the highly competitive conditions for talent in the industry, the board is of the view that the Group’s key management personnel’s remuneration shall be disclosed in bands, as laid out in the table below.

Remuneration of employees who are immediate family members of a director or the Group CEO

In 2024, the company had no employees who were immediate family members of a director or the Group CEO.

Accountability and Audit

The board is accountable to shareholders

Sembcorp is committed to maintaining open and honest communication with shareholders at all times. The company presents a balanced and clear assessment of the Group’s performance, position and prospects to shareholders through the timely release of our financial results.

Strict compliance with statutory reporting requirements is imperative to maintaining shareholders’ confidence and trust in the company. In line with SGX-ST requirements, negative assurance statements are issued by the board to accompany the Group’s half-yearly results announcements, confirming that to the best of its knowledge, nothing had come to its attention which would render the half-yearly results false nor misleading.

The management provides the board with regular updates, including management reports, operational insights and financial statements, ensuring access to accurate and timely information.

Risk Management and Internal Controls (Principle 9)

The board has overall responsibility for the governance of the Group’s risk management and internal controls. It determines the company’s risk appetite and tolerance levels, and oversees management in the design and implementation, as well as monitoring of risk management and internal controls.

Adequate and effective system of internal controls

The Group has implemented the IAF where key risks identified are deliberated by management, supported by Group Risk department and regularly reported to the RC.



Remuneration Band	Number of Employees	Fixed Pay ¹ %	FY2024 Cash Bonus Earned ² %	FY2024 EVA Bonus Declared and Subject to Deferral and Claw-back ³ %	Fair Value of FY2024 RSP Grant ⁴ %	Fair Value of FY2024 PSP Grant ⁵ %	FY2024 Total Remuneration based on Grant Fair Value
							%
\$4,250,001 to \$4,500,000	2	17%	47%	4%	26%	7%	100%
\$3,250,001 to \$3,500,000	1	20%	48%	6%	19%	8%	100%
\$3,000,001 to \$3,250,000	1	22%	43%	6%	19%	10%	100%
\$2,500,001 to \$2,750,000	1	29%	37%	7%	18%	10%	100%
Total Aggregated Compensation of 5 KMPs based on Grant Fair Value (\$'000)							17,873

¹ The amounts shown are inclusive of base salary, fixed allowances, annual wage supplement and other emoluments
² Cash Bonus Earned is based on the achievement of FY2024 Group Balanced Scorecard KPIs (including Net Profit, ROE, RE Capacity, Carbon Intensity, HSSE, Cybersecurity and ESG-related KPIs), and is payable by April 2025
³ EVA Bonus is based on achievement of FY2024 Group Economic Profit above the target WACC; one third of the FY2024 EVA Bonus Declared is payable by April 2025 and the balance is subject to EVA banking mechanism, which typically pays out one third of the banking balance in future years and subject to negative EVA claw-back
⁴ The contingent grant of FY2024 RSP is based on the achievement of FY2024 Group Balanced Scorecard KPIs. One third of the FY2024 RSP grant will vest by April 2025 with the remaining deferred and subject to meeting vesting conditions in 2026 and 2027. Estimated fair value per share is S\$6.1756, based on the VWAP between February 28, 2025 and March 4, 2025 (the aggregated estimated fair value of the contingent grant of FY2024 RSP for the five key management personnel is S\$3,901,000; estimated fair value of the FY2024 RSP to vest in 2025 is S\$1,300,000)
⁵ The contingent grant of FY2024 PSP will only vest upon the achievement of the three-to-five-year long-term performance conditions (Absolute Total Shareholder Return above targets set against COE, Relative Total Shareholder Return against performance of STI, RE Capacity, and KPIs aligned with shareholders’ value creation and ESG transformation targets) between 2021 to 2025. None of the FY2024 PSP contingent grant has vested in 2024 and if the long-term performance conditions are not met, part or all of the FY2024 PSP contingent grant may lapse after 2026. Estimated value per share is S\$4.62 based on a consistent fair valuation model and Monte Carlo simulation and calculated by an external consultant (the aggregated fair value of the contingent grant of FY2024 PSP for the five key management personnel is S\$1,421,000; none of the FY2024 PSP grant has vested in 2024)

The below section and on the following page outline the Group’s Principal Risks, without a specific order of significance. Details of our climate-related risks managed through IAF are available in the Climate-related Financial Disclosures on page 52.

Principal Risks	Management Approach
Financial / Operational / Compliance Risks: Geopolitical tensions Financial / Operational Risks: Economic Slowdown	Sembcorp’s business, operations, financials and / or prospects may be adversely impacted by developments in global, regional and country level geopolitical environment including those in connection with the following: 1. Current elevated tensions between Russia and Western security alliances due to ongoing conflict in Ukraine, and along with the Israel-Hamas conflict, could negatively impact economic growth and inflation via lower trade and higher energy prices; and 2. Evolving geopolitical relationship between the US and China, could disrupt trade and supply chains, especially for materials essential to manufacturing assets for the renewables business; The impact of the above developments is particularly acute in the developing countries that are highly dependent on US dollar-denominated imports, as they place additional strain on these countries’ US dollar foreign reserves. In addition, geopolitical developments in countries where Sembcorp operate may adversely impact the country’s economic conditions, which could in turn, negatively impact our business, operations, financials and prospects. We have conducted scenario analysis and stress-testing of our existing operations to identify potential risks and opportunities under a range of geopolitical and macroeconomic scenarios. Contingencies have been incorporated in our existing operations, and we will continue to closely monitor developments in line with these scenarios.
Financial Risks: Interest rate exposure	The Group is exposed to interest rate risks arising from changes in interest rates affecting total interest expense which may result in higher funding costs in a rising interest rate environment. These exposures are managed using (i) fixed rate borrowings and (ii) interest rate swaps.
Financial Risks: Commodity volatility	The Group is subject to fluctuations in commodity prices such as energy, oil and natural gas for its Gas and Related Services business, as well as raw material prices, such as steel and polysilicon, which are essential for manufacturing wind and solar assets for its renewables business. We manage this risk by incorporating pricing formulas for the materials that allow costs to be passed on to customers. In line with the Group’s risk management policy, we also hedge the residual risks from price fluctuation of these items. Management regularly monitors exposure positions to ensure effective oversight.
Financial Risks: Counterparty risks	The Group faces default and counterparty credit risks arising from customers, vendors, joint venture partners and financial institutions that may fail to meet their payment or contractual obligations. We conduct periodic credit reviews and monitor credit exposures to detect potential credit deterioration. Banker’s guarantees, standby letters of credit, parental corporate guarantee, deposit securities and / or collateral may be requested for further credit enhancement on a case-by-case basis from customers, vendors and joint venture partners. For financial institutions, we screen for material concentrations to ensure the Group does not have excessive credit exposure to a single counterparty or group of related counterparties that may result in a material impact on the Group.

Corporate Governance Statement

Principal Risks	Management Approach
Operational Risks: Health, Safety, Security and Environment	Group HSSE management system provides a framework for managing health, safety, security and environment across Sembcorp’s global operations. It provides guidance for our business to comply with HSSE regulations, and mitigate HSSE risks linked to our activities and services. Under the lead of the Chief Operating Officer, the Group works closely with the global operations, projects secured and under construction, guiding the implementation of the safe and secure operations requirements set out in the Group Centre of Excellence framework and the Group HSSE management system. Functional level assurance checks are scheduled and implemented to ensure compliance and continuous improvements in the management of key operational risks.
Compliance Risks: Bribery and corruption	 For more information on our management approach on bribery and corruption risks, please refer to the Risk Governance section on page 50.
Information Technology Risks: Cybersecurity	Cybersecurity risks include data breaches or national / state-wide cyberattacks that could compromise our control systems, potentially causing regulatory non-compliance or service disruptions. Our cybersecurity strategy employs defensive tools and a robust three-layer framework for inspection, verification, and validation. Led by our Chief Digital Officer, the Group works closely with our technology suppliers, Group Integrated Audit (GIA), and the AC to implement effective controls, and report cybersecurity-related issues and trends. We regularly test our defences through change control processes, vulnerability assessments and penetration testing exercises, ensuring we operate in an optimal and cyber-secure digital environment.
Climate-related Risks	 For more information on our management approach on climate-related risks, please refer to the Climate-related Financial Disclosures section on pages 55 to 59.

The Group’s system of internal controls, which supports the Integrated Assurance Framework (IAF), encompasses the Code of Conduct (CoC), group-wide governance and internal control policies, procedures and guidelines that ensure segregation of duties, approval authorities and limits, as well as embedded checks and balances across business processes.

The IAF adopts the three lines of defence (LOD) model, fostering a collaborative and consistent approach to reviewing and testing key financial, operational, compliance and IT risks. External audits evaluate internal controls relevant to the preparation of financial statements to ensure accuracy and fairness.

Embedded in the IAF is the Management Control Assessment which is submitted by each business

unit, providing assurance that the risk management and internal control systems are adequate and effective. This is supported by key risk indicators, which are monitored and reported to the RC regularly.

For FY2024, the board received assurance from the Group CEO and Group CFO that the Group’s financial records are properly maintained, its financial statements present a true and fair view of the Group’s financial position, operations, and performance, and its risk management and internal control systems are adequate and effective.

The board reviewed and concurred with the AC’s evaluation that, as at December 31, 2024, the company’s internal controls and risk management systems (including sustainability) are adequate and effective in addressing

the Group’s financial, operational, compliance and IT risks. This assessment is based on the risk management and internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by senior management. While internal controls inherently provide reasonable but not absolute assurance of achieving their intended objectives, the board remains committed to ensuring necessary remedial actions are promptly taken to address any significant weaknesses or failures that may arise.

Audit Committee (Principle 10)


The AC does not include anyone who was a former partner or director of the company’s external auditors, KPMG, within the last two years, or who holds any financial interest in KPMG.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to management and their cooperation, as well as full discretion to invite any director or executive officer to attend its meetings. The AC is also provided with necessary resources to enable it to discharge its functions properly.

Where relevant, the AC is guided by the recommended best practice for audit committees, outlined in the Code.

Key audit matters

The AC reviews the key audit matters with management and external auditors on a quarterly basis to ensure that they are appropriately addressed. The AC concurred with the basis and conclusions included in the auditors’ report for FY2024 regarding key audit matters.


 For more information on key audit matters, please refer to pages 104 to 108.

External auditors

Each year, the AC reviews the independence of the company’s external auditors and makes recommendations to the board on their re-appointment. During the year, the AC reviewed the performance of the external auditors based on the Audit Quality Indicators Disclosure Framework published by ACRA. Mr Chiang Yong Torng has been appointed the new audit partner for financial year 2024, in accordance with SGX-ST Listing Rule 713(1).


The AC reviews and approves the external audit plan to ensure its adequacy. It also reviews the external auditors’ management letter and monitors the timely implementation of required corrective or improvement measures. The AC meets with external and internal auditors at least once a year without the presence of management to discuss any issues of concern. It has reviewed the

nature and extent of non-audit services provided by the external auditors to the Group for the year. Based on these reviews, the AC has recommended the re-appointment of the external auditors at the forthcoming AGM.

 For more information on non-audit fees payable to the external auditors, please refer to Note B4a in the Notes to the Financial Statements on page 142.

Whistleblowing policy

The whistleblowing policy was established to strengthen corporate governance and ethical business practices across all markets, business lines and functional units. The company has zero tolerance to fraud and corruption. Whistleblowing reports and information received are treated confidentially, with measures in place to protect the identity and interests of whistleblowers. Employees, vendors, contractors, sub-contractors and members of the public can access various channels of communication to report suspected fraud, corruption, dishonest practices or other misdemeanour anonymously. The reports are received and investigated by GIA, with significant matters being escalated to the AC. The AC oversees the outcome of independent investigations and ensures that appropriate follow-up actions are taken.

 For more information on the whistleblowing policy, please refer to the Codes and Policies section under Our Commitment to Corporate Governance webpage.

Group Integrated Audit Independent integrated audit function

GIA is an important LOD for the Group and is a core component in the Group’s assurance framework and governance process.

GIA provides assurance to management and the AC on the adequacy and effectiveness of the Group’s internal control and risk management systems (including sustainability), to govern operational, financial, compliance and IT risks.

The AC reviews GIA’s independence, adequacy and effectiveness, ensuring that it is sufficiently resourced and effective. The AC is satisfied that GIA is effective, independent, adequately resourced, and has appropriate standing within the company.

An independent Quality Assurance Review (QAR) is performed at least once every five years by qualified professionals from an external organisation. The most current QAR was completed in 2024, and it was assessed that GIA generally conforms with the IIA Standards.

The Head of GIA, Mr Wong Kiew Kwong, reports directly to the AC and administratively to the Group CEO. The Head of GIA will confirm to the AC annually the organisational independence of the integrated audit function. The AC is also involved in the appointment, replacement, dismissal, performance evaluation and compensation of the Head of GIA.

GIA adopts a risk-based approach in developing the Group’s annual audit plan, which covers the key risks and controls identified through the Group’s IAF. The risk-based approach ensures that the key controls are covered systematically over the relevant audit cycle, with annual audits of top risks. GIA’s scope extends to all areas of the company and its controlled entities.

The AC reviews and agrees on the scope of the Group’s annual audit plan, the frequency of audits for each entity or area, and the effective deployment of internal audit resources during the year.

Corporate Governance Statement

Significant internal control gaps, lapses and recommendations for improvement are communicated to management and reported to the AC quarterly. The AC reviews the actions taken by management to address significant audit findings and seek responses from management if the risk-mitigating actions have not been adequately implemented.

The AC meets with GIA regularly, without management present, to discuss any issues of concern.

Professional standards, authority and competency

The purpose, authority and responsibility of GIA are formally defined in a charter approved by the AC. The charter defines GIA's position within the organisation, including its functional reporting relationship with the AC, authorises access to records, personnel and physical properties relevant to the performance of engagements, and sets the scope of the internal audit activities.

The charter mandates a quality assurance and improvement programme that covers all aspects of internal audit activity. This includes assessing GIA's conformance with professional standards and Code of Ethics, as well as ensuring that internal auditors adhere to the Institute of Internal Auditors' Code of Ethics.

GIA has unrestricted access to all personnel, documents, accounts, records, property, and any other data of the company deemed necessary for it to effectively perform its duties.

The GIA team comprises auditors with relevant qualifications and experience. The audits performed are in accordance with the standards set by professional bodies including the Standards for Professional Practice of Internal Auditing by the Institute of Internal Auditors. The team also performs an annual declaration of independence and confirms their adherence to the Group's CoC.

Shareholder Rights and Engagement Shareholder Rights and Conduct of General Meetings (Principle 11)

Fair and equitable treatment of shareholders

Sembcorp is committed to treating all shareholders fairly and equitably. The company is committed to safeguarding and facilitating the exercise of shareholders' rights, continuously reviewing and updating its governance practices to maintain transparency.

The company is committed to ensuring that all shareholders have easy access to clear, reliable and meaningful information in order to make informed investment decisions. The company regularly communicates major developments in its business operations via announcements, press releases, circulars to shareholders and other appropriate channels. The company also encourages shareholder participation and voting at general meetings.

Conduct of general meetings

All shareholders are invited to participate in the company's general meetings.

Notices of general meetings are disseminated via SGXNet, published in local newspapers and posted on the company website at www.sembcorp.com ahead of the meetings. Annual reports, letters to shareholders and circulars are also available on SGXNet and the company website. Shareholders who prefer to receive a physical copy of such documents may request for one.

At each AGM, the Group CEO provides an update to shareholders on the company's performance. Every matter requiring approval is proposed as a separate resolution.

Shareholders can clarify or ask questions on the proposed resolutions before voting. The board, with management's assistance, will address any shareholder feedback or concerns. External auditors, legal advisors and relevant external consultants are also present to assist the board when necessary.

Shareholders are encouraged to submit their questions in advance to the company, and the company's responses to substantial and relevant questions are published on the company website and disseminated via SGXNet prior to the commencement of the AGM.

The company's constitution allows shareholders who are not relevant intermediaries, to appoint up to two proxies to attend, speak and vote on their behalf at general meetings. Shareholders who are relevant intermediaries such as banks, capital markets services licence holders that provide custodial services for securities and the Central Provident Fund (CPF) Board, may appoint more than two proxies to attend, speak and vote at general meetings. This enables indirect investors, including CPF investors, to be appointed as proxies to participate at general meetings. Voting in absentia by mail, email or other electronic means is currently not allowed, but will be carefully evaluated for feasibility to ensure integrity of information and authenticity of shareholders' identities are not compromised.

Electronic poll voting is conducted at general meetings for greater transparency. An independent scrutineer is engaged to review the electronic poll voting system and proxy verification process, to ensure accuracy and adherence to procedures. The total number of votes cast for or against each resolution is tallied and displayed

during the meetings. Voting results will also be announced after the meetings via SGXNet.

The company secretary records minutes of the general meetings, including shareholder comments or queries and responses from the board and management. The minutes are published on the company website and SGXNet within one month after the general meetings.

Dividend policy

Sembcorp is committed to achieving sustainable income and growth to enhance total shareholder return. The company has outlined its strategic plan to transform its portfolio and drive energy transition. Its dividend policy aims to balance cash return to shareholders with investments for sustaining growth while ensuring an efficient capital structure. Sembcorp strives to provide consistent and sustainable ordinary dividend payments to our shareholders, and the practice is to consider declaring dividends on a biannual basis. As Sembcorp's cash flow visibility improves supported by a strong portfolio underpinned by long-term offtake contracts, Sembcorp has the ability to potentially increase returns to shareholders through a growing dividend. In the event of a material variation in declared dividends compared to the previous corresponding period, or any decision not to declare a dividend, the reasons for such will be disclosed in accordance with SGX-ST Listing Rule 704(24).

Engagement with Shareholders (Principle 12)

Regular, effective and fair communication with shareholders

Sembcorp is committed to upholding high standards of corporate transparency and disclosure. The Group has an investor relations policy which adheres to fair disclosure

principles and emphasises active dialogue and engagement with shareholders, investors and analysts.

A dedicated investor relations team supports management in maintaining an active dialogue with the investment community.

Timely disclosures

Sembcorp is committed to providing meaningful, timely and consistent disclosure of material information, ensuring that the investment community can make informed investment decisions. All price-sensitive and material information is disseminated via SGXNet on a non-selective, timely and consistent basis. The company's announcements are also uploaded on the company website after dissemination on SGXNet.

The financial results release date is disclosed one month prior to the announcement date via SGXNet. The company conducts analysts and media briefings upon the release of its financial results. The results briefings are conducted in a hybrid format enabling in-person and online attendees via a 'live' webcast. Sembcorp's investor relations officers are available by email or telephone to answer questions from the investment community, provided the information requested does not conflict with the SGX-ST's rules on fair disclosure.


Establishing and maintaining regular dialogue with shareholders

In addition to the results briefings, the company maintains regular dialogue with shareholders through investor-targeted events, such as AGMs, extraordinary general meetings, non-deal roadshows and conferences, site visits, as well as group and one-on-one meetings. These platforms provide opportunities for the board and senior management

to interact directly with shareholders, understand their views, gather feedback and address concerns.

The company maintains a dedicated investor relations section on our company website, located under the *Creating Shareholder Value* webpage, to cater to specific information needs of investors and capital market participants. Shareholders can also contact the investor relations team via email. The contact information for investor relations is available on the company website and in the annual report.

To keep the board and senior management abreast of market perception and concerns, the investor relations team provides regular updates on analysts' consensus estimates and views. A comprehensive report is presented quarterly and includes updates and analysis of the shareholder register, highlights of key shareholder engagements as well as market feedback.

 For more information on Sembcorp's communications with its shareholders, please refer to the *Investor Relations* section on page 94.

Corporate Governance Statement

Managing Stakeholders Relationships

Engagement with Stakeholders (Principle 13)

Considering the needs and interests of material stakeholders

Sembcorp’s key stakeholders include customers, employees, financial institutions, governments and regulators, shareholders and the investment community, local communities, contractors, suppliers, trade unions and industry partners. These stakeholders are managed by various departments at the corporate and market levels.

The company takes an inclusive approach to stakeholder management, actively considering and addressing the needs and interests of its material stakeholders. Meaningful engagement enables Sembcorp to identify issues critical to its business, gain valuable insights into stakeholder perspectives, and prioritise areas of mutual importance within its partnerships.

To support effective communication and collaboration, Sembcorp maintains an up-to-date website as a central platform for sharing information, gathering feedback, and fostering engagement.


Dealings in Securities


A Policy on Prevention of Insider Trading has been implemented to prohibit dealings in the company’s securities by the board of directors and senior management within one month prior to the announcement of the company’s half-year and full-year financial results. The board and employees are also advised to adhere to insider trading laws at all times, including when dealing in the company’s securities outside the prohibited trading period, and reminded not to deal in the company’s securities on short-term considerations.

The foregoing also applies to the company in respect of its purchase or acquisition of shares conducted under the share purchase mandate.

Interested Person Transactions

Shareholders have adopted an interested person transaction mandate (IPT Mandate) in respect to interested person transactions (IPTs) of the Group, which defines the levels and procedures to obtain approvals for such transactions. Information regarding the IPT Mandate is available on the company’s intranet, and the company has an internal policy and procedure to manage and capture any IPTs. All markets, business lines and functional units are required to be familiar with the IPT Mandate as well as the internal policy and procedure, reporting IPTs to the company for review and approval by the AC. The Group maintains a register of IPTs in accordance with Chapter 9 of the SGX-ST Listing Manual.

 For more information on IPTs for FY2024, please refer to page 234.

 For more information on the IPT Mandate, please refer to the Letter to Shareholders.

Code of Conduct

The Group’s CoC aims to ensure an effective governance and decision-making structure, with employees required to refer and apply its principles. The Group CEO and senior management actively reference the CoC in key internal meetings to reinforce its importance among management. All employees of the Group must complete annual training on the CoC and its key policies, and to declare that they are in compliance with the CoC and key policies annually.

Summary of Governance Disclosures

The Summary of Disclosures that describes our corporate governance practices with specific reference to disclosure requirements in the principles and provisions of the Code, which can be found at SGX’s website at rulebook.sgx.com, is set out below.

Board Matters

Provision	Page
The Board’s Conduct of Affairs (Principle 1)	
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